



# **SHAFFI CHEMICAL**

## **Industries Limited**

**QUARTERLY REPORT**  
**For The Period Ended 31 March, 2024**



## **SHAFFI CHEMICAL INDUSTRIES LIMITED**

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# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CORPORATE PROFILE

### BOARD OF DIRECTORS

1. Mr. Iftikhar Shaffi	Chief Executive	<i>(Executive)</i>
2. Mr. Nazir Ahmad	Director	<i>(Independent)</i>
3. Mr. Imran Kabir	Director	<i>(Independent)</i>
4. Mr. Muhammad Sameer	Director	<i>(Non-Executive)</i>
5. Mrs. Seema Iftikhar	Director	<i>(Non-Executive)</i>
6. Mr. Hashim Aslam Butt	Director	<i>(Non-Executive)</i>
7. Mr. Mohib Hussain	Director	<i>(Non-Executive)</i>

### COMPANY SECRETARY

- Mr. Zahoor Ahmad

### CHIEF FINANCIAL OFFICE

- Mr. Munawar Hussain

### AUDIT COMMITTEE

1. Mr. Imran Kabir	Chairman	<i>(Independent Director)</i>
2. Mr. Muhammad Sameer	Member	<i>(Non-Executive Director)</i>
3. Mr. Hashim Aslam Butt	Member	<i>(Non-Executive Director)</i>

### HUMAN RESOURCE & REMUNERATION COMMITTEE

1. Mr. Imran Kabir	Chairman	<i>(Independent Director)</i>
2. Mr. Muhammad Sameer	Member	<i>(Non-Executive Director)</i>
3. Mr. Hashim Aslam Butt	Member	<i>(Non-Executive Director)</i>

### LEGAL ADVISOR

- A.K. Minhas Law Associates

### AUDITORS

HLB IJAZ TABUSSUM & CO.  
Office No. 1, 3<sup>rd</sup> Floor, Madinah Heights, 87-E, Moulana Shoukat Ali Road,  
Johar Town Lahore  
Tel: 92-42-35173258  
E.mail: mataabussum@hotmail.com

### BANKERS

- Allied Bank Limited
- Askari Commercial Bank Limited
- Bank Alfalah Limited
- Habib Metropolitan Bank Limited
- Silk Bank Limited

### REGISTERED OFFICE

- Plot No. 2, Gadoon Amazai, Industrial Estate, Swabi, Khyber Pakhtoonkhwa  
Tel: 0938-270696, 270697

### FACTORY

- Plot No. 2, Gadoon Amazai, Industrial Estate, Swabi, Khyber Pakhtoon khwa  
Tel: 0938-270697  
E.mail: [scil\\_gad@hotmail.com](mailto:scil_gad@hotmail.com)

### PRINCIPLE OFFICE

- 23-Km, Multan Road, Mohlanwal, Lahore  
Tel: 042-37540336-7  
Fax: 042-37540335  
E.mail: [shaffichemical@diamondfoam.com](mailto:shaffichemical@diamondfoam.com)

### SHARE REGISTRAR

- M/s Corplink (Pvt) Limited  
Wings Arcade, 1-K Commercial, Model Town, Lahore  
Tel: 042-35916714, 35916719, 35839182  
Fax: 042-35869037  
E.mail: [corplink786@yahoo.com](mailto:corplink786@yahoo.com)



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of **Shaffi Chemical Industries Ltd.**, I place before you the quarterly financial statements of the company for the quarter ended March, 31, 2024.

### FINANCIAL HIGHLIGHTS:

As already reported in Directors' Report of the latest annual financial statements that the company has settled all its liabilities with ABL and all pending litigations has also been withdrawn by the both parties. Further in order to rectify the default of clause 5.11.1(e) of PSX Regulations, the company has also paid all its outstanding annual listing fees to PSX and has requested to remove the name of company from defaulter segment and shift the company name at normal trade counter to restore the trading in the shares of our company. Meanwhile on the basis of suspension of company's business activities, winding up petition filed by deputy registrar of companies Peshawar and is pending before the Hon'ble High Court Peshawar which is contested by the company vigorously and in compliance of our revival plan submitted before Hon'ble High Court Peshawar, the management has started the furniture business in the factory premises with the hope that if it is appreciated by the furniture market, then the furniture business will continue to be expanded in future and for working capital requirement, the company will initiate the process for issuance of right shares to the existing shareholders in compliance of all applicable provisions of the Companies Act 2017 and all other legal forums thereon.

However, during the quarter under review, the company has secured sale revenue of Rs. 3.076 million from furniture business and earned operating profit of Rs. 2.166 million as against of Rs. 2.372 million of the preceding quarter ended March 31, 2023 whereas after adjustment of finance Cost of Rs. (2.085) million, reversal of impairment on long term investment of Rs.0.227 million and share of Profit/(loss) from associated company of Rs. 1.585 million and taxation of Rs. (3.045) million, the Net Profit/(Loss) after tax arrived at Rs. (1.151) million as compare to Rs. (0.829) million of the corresponding period ended March 31, 2023.

### FUTURE OUTLOOK:

As the company has settled all the disputes with Allied Bank Limited but due to current economic condition prevailing in the country and sharp devaluation of Pak Rupee against US dollar, it is not feasible to restart its core business activities, however initially the company has started new furniture business in the factory premises to cope with saving the wealth of its minority shareholder and if feasible, the management will take necessary steps for increase of this furniture business and for required business operations, the working capital of the company shall be enhanced by issuing of right shares to the existing shareholders in due course of time in future. Meanwhile the company has requested to PSX to remove company name from defaulters' segment, so that trading in shares of the company may also be started to execute the right issuance process in near future.

### EARNING PER SHARE:

The earnings per share of the company for the period under review are Rs. (0.10) as compared to Rs. (0.07) in the corresponding period ended March 31, 2023.

### ACKNOWLEDGEMENT:

The Board of Directors deeply expresses its appreciation to the staff, workers and all other stakeholders for their continued support in achieving the reported level of performance.

For and on behalf of Board

IMRAN KABIR  
Director

IFTIKHAR SHAFFI  
Chief Executive

Lahore  
Dated:- 26<sup>th</sup> April, 2024



## SHAFFI CHEMICAL INDUSTRIES LIMITED

### ڈائریکٹرز کی رپورٹ

معزز شیئر ہولڈرز،

شٹیخ کیمیکل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، میں آپ کے سامنے 31 مارچ 2024 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے سہ ماہی مالیاتی گوشوارے پیش کرتا ہوں۔

مالیاتی جھلکیاں:

جیسا کہ پہلے ہی تازہ ترین سالانہ مالیاتی گوشواروں کی ڈائریکٹرز کی رپورٹ میں بتایا گیا ہے کہ کمپنی نے ABL کے ساتھ اپنی تمام ذمہ داریوں کا تصفیہ کر لیا ہے اور تمام زیر التواء قانونی چارہ جوئی کو بھی دونوں فریقوں نے واپس لے لیا ہے۔ مزید یہ کہ PSX ریگولیشنز کی شق 5.11.1 (e) کے ڈیفالٹ کو درست کرنے کے لیے، کمپنی نے اپنی تمام بقایا سالانہ لسٹنگ فیس بھی PSX کو ادا کر دی ہے اور کمپنی کا نام ڈیفالٹرز طبقہ سے ہٹانے اور کمپنی کا نام یہاں پر منتقل کرنے کی درخواست کی ہے۔ ہماری کمپنی کے حصص کی تجارت کو بحال کرنے کے لیے عام تجارتی کاؤنٹر۔ دریں اثنا، کمپنی کی کاروباری سرگرمیوں کی معطلی کی بنیاد پر، کمپنیوں کے ڈپٹی رجسٹرار پشاور کی جانب سے دائر کی گئی پٹیشن کو ختم کرنے کی اور معزز ہائی کورٹ پشاور میں زیر التواء ہے جس کا کمپنی نے بھرپور طریقے سے مقابلہ کیا اور ہمارے بحالی کے منصوبے کی تعمیل میں عزت مآب کے سامنے پیش کیا۔ معزز ہائی کورٹ پشاور کے حکم پر انتظامیہ نے فیکٹری کے احاطے میں فرنچیز کا کاروبار اس امید کے ساتھ شروع کیا ہے کہ اگر اسے فرنچیز مارکیٹ نے سراہا تو مستقبل میں بھی فرنچیز کے کاروبار کو وسعت ملتی رہے گی اور ورکنگ کیمپنیل کی ضرورت کے پیش نظر کمپنی شروع کرے گی کمپنیز ایکٹ 2017 کی تمام قابل اطلاق شقوں اور اس پر موجود دیگر تمام قانونی فورمز کی تعمیل میں موجودہ شیئر ہولڈرز کو رائٹ شیئرز جاری کرنے کا عمل شروع کر دیا جائے گا۔

تاہم، زیر جائزہ سہ ماہی کے دوران، کمپنی نے فرنچیز کاروبار سے 3.076 ملین روپے کی فروختی رسید حاصل کی ہے اور سرکاری منافع 2.166 ملین روپے کی طاقتوری حاصل کی ہے جبکہ 31 مارچ 2023 کو ختم ہونے والے پچھلے سہ ماہی کے 2.372 ملین روپے کے مقابلے میں، جس کو مالی لاگت کی ترتیب دی گئی ہے (2.085) ملین روپے، طویل مدتی سرمایہ کاری پر انحراف کی ترتیب 0.227 ملین روپے اور شراکت کرنے والی کمپنی سے حاصل منافع / (نقصان) کی ترتیب 1.585 ملین روپے اور ٹیکس کی ترتیب (3.045) ملین روپے کے بعد، صاف منافع / (نقصان) بعد از ٹیکس 1.151 ملین روپے حاصل ہوا ہے جبکہ 31 مارچ 2023 کے موافق دور کے 0.829 ملین روپے کے مقابلے میں۔

مستقبل کا نقطہ نظر:

چونکہ کمپنی نے الائیڈ بینک لمیٹڈ کے ساتھ تمام تنازعات طے کر لیے ہیں لیکن ملک کی موجودہ معاشی صورتحال اور امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں تیزی سے کمی کی وجہ سے اپنی بنیادی کاروباری سرگرمیاں دوبارہ شروع کرنا ممکن نہیں ہے تاہم ابتدائی طور پر کمپنی نے نئی شروعات کی ہیں۔ فیکٹری کے احاطے میں فرنچیز کاروبار اپنے اقلیتی شیئر ہولڈرز کی دولت کی بچت سے نمٹنے کے لیے اور اگر ممکن ہو تو انتظامیہ فرنچیز کے اس کاروبار کو بڑھانے کے لیے ضروری اقدامات کرے گی اور مطلوبہ کاروباری کارروائیوں کے لیے کمپنی کے ورکنگ کیمپنیل کو جاری کر کے بڑھایا جائے گا۔ مستقبل میں مقررہ وقت میں موجودہ حصص یافتگان کو حق حصص۔ دریں اثنا، کمپنی نے PSX سے کمپنی کا نام ڈیفالٹرز کے حصے سے ہٹانے کی درخواست کی ہے،



## SHAFFI CHEMICAL INDUSTRIES LIMITED

تا کہ مستقبل قریب میں کمپنی کے شیئرز کی تجارت بھی شروع کی جاسکے۔  
فی حصص آمدنی:

شرکت کی فی ایک شیئر کمائی موازنہ کے دورانیہ میں روپے (0.10) ہیں جبکہ مقابلہ مدت مارچ 2023-31 کو ختم ہونے والے مقابلہ میں روپے (0.07) ہیں۔

اعتراف:

مجلس ناظرین گہرائی سے اپنی قدردانی کا اظہار کرتی ہے کہ وہ عملے، کارکنوں، اور تمام دیگر اشتراک کاروں کا استمراری ساتھ کے لئے ان کی حاصل کردہ  
مستوی کی تحقیق میں اظہار کرتی ہے۔  
مجلس کی جانب سے اور اس کے نام پر

انفار شفیع

چیف ایگزیکٹو

لاہور

تاریخ: 26 اپریل 2024

عمران کبیر

ڈائریکٹر



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT March 31, 2024 (UN-AUDITED)

Note	March 2024	30-Jun-23		
	Book Value	Book Value	Estimated Realizable Value	
	Rupee	Rupee	Rupee	
<b>Authorized Capital</b>				
12,000,000 (2023: 12,000,000) Ordinary shares of Rs. 10/- each	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>	
<b>Issued, Subscribed and Paid Up Capital</b>				
12,000,000 (2023: 12,000,000) Ordinary shares of Rs. 10/- each fully paid in cash	<b>120,000,000</b>	120,000,000	120,000,000	
Surplus on Revaluation of Property, Plant and Equipments	<b>8,638,596</b>	8,838,189	-	
Fair Value Reserve	<b>31,264</b>	15,916	15,916	
Accumulated Losses	<b>(178,541,447)</b>	(176,018,703)	(176,018,703)	
Share Holders' Equity	<b>(49,871,587)</b>	(47,164,598)	(56,002,787)	
Net surplus on estimated realisable/settlement value	-	-	14,146,468	
<b>Non-current Liabilities</b>				
Deferred liabilities	5	-	-	
<b>Current Liabilities</b>				
Payable to Director & Sponsors	<b>33,491,574</b>	33,491,574	33,491,574	
Payable to Associated Company	<b>28,309,933</b>	43,919,925	43,919,925	
Accrued and Other Payables	<b>21,633,879</b>	3,264,841	3,264,841	
Accrued Markup	<b>31,526,713</b>	24,064,632	24,064,632	
Provision for Taxation	<b>164,097</b>	235,212	235,212	
	<b>115,126,196</b>	104,976,184	104,976,184	
Contingencies and Commitments	6	-	-	
	<b>65,254,609</b>	<b>57,811,586</b>	<b>63,119,865</b>	
<b>Non-current Assets</b>				
Property, Plant and Equipment	7	<b>13,828,646</b>	14,373,185	14,366,584
Investments	8	<b>38,502,051</b>	36,385,183	41,402,446
Security Deposits		<b>223,560</b>	223,560	223,560
		<b>52,554,257</b>	50,981,927	55,992,590
<b>Current Assets</b>				
Stock-in-trade	9	<b>5,162,409</b>	789,433	1,087,049
Trade Debts		<b>4,975,607</b>	2,315,371	2,315,371
Loans and Advances		<b>454,895</b>	645,614	645,614
Other Receivables		<b>1,330,075</b>	1,849,847	1,849,847
Cash and Bank Balances		<b>777,366</b>	1,229,394	1,229,394
		<b>12,700,352</b>	6,829,659	7,127,275
		<b>65,254,609</b>	<b>57,811,586</b>	<b>63,119,865</b>

The annexed notes form an integral part of these condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS For Nine Months Ended March 31, 2024 (Un-Audited)

	Notes	Nine Months Ended		Quarter Ended	
		March 2024 Rupees	March 2023 Rupees	March 2024 Rupees	March 2023 Rupees
Sales - net		13,127,764	15,105,395	3,076,245	9,921,846
Cost of Sales	10	(9,033,896)	(11,898,606)	(574,739)	(7,034,004)
Gross Profit / (Loss)		4,093,868	3,206,789	2,501,506	2,887,842
Operating Expenses					
Administrative Expenses		(1,291,046)	(751,793)	(334,947)	(514,941)
Operating Profit/(Loss)		2,802,822	2,454,996	2,166,559	2,372,901
Other Operating Income/(Expenses)		-	(31,648)	-	-
		2,802,822	2,423,348	2,166,559	2,372,901
Finance Cost		(7,462,581)	(7,809,496)	(2,085,338)	(2,931,500)
		(4,659,759)	(5,386,148)	81,221	(558,599)
Reversal of impairment/(Impairment) on long term investment in associated company		227,125	(8,025,380)	227,125	307,187
		(4,432,634)	(13,411,528)	308,346	(251,412)
Share of Profit / (Loss) of Associated Company		(1,820,115)	3,753,939	1,585,751	(183,700)
Profit / (Loss) before Taxation		(6,252,749)	(9,657,589)	1,894,097	(435,112)
Taxation					
-Current		(164,097)	(188,817)	(38,453)	(114,023)
-Share of Tax of Associated Company		(1,767,235)	(737,308)	(3,007,190)	(280,037)
		(1,931,332)	(926,125)	(3,045,643)	(394,060)
Profit / (Loss) after Taxation		(8,184,081)	(10,583,714)	(1,151,546)	(829,172)
Earnings per share	11	(0.68)	(0.88)	(0.10)	(0.07)

The annexed notes form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director





# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME For Nine Months Ended March 31, 2024 (Un-Audited)

	Nine Months Ended		Quarter Ended	
	March 2024 Rupees	March 2023 Rupees	March 2024 Rupees	March 2023 Rupees
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	<b>(8,184,081)</b>	<b>(10,583,714)</b>	<b>(1,151,546)</b>	<b>(829,173)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Gain/ (Loss) on remeasurement of staff retirement benefit of associated companies	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain / (loss) arising on remeasurement of available for sale investments of associated companies	5,461,744	456,909	5,096,445	1,392,377
Unrealized gain arising on remeasurement of available for sale investments	15,348	3,236	(7,293)	1,022
Other Comprehensive income for the period	5,477,093	460,145	5,089,153	1,393,399
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(2,706,989)</b>	<b>(11,043,859)</b>	<b>3,937,606</b>	<b>564,226</b>

The annexed notes form an integral part of these condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY For Nine Months Ended March 31, 2024 (Un-Audited)

	CAPITAL RESERVES   REVENUE RESERVES			Surplus on revaluation of property, plant and equipment	TOTAL RESERVES	TOTAL EQUITY
	Fair Value Reserve	(Accumulated Loss) / Unappropriated Profit				
<b>SHARE CAPITAL</b>						
120,000,000	12,495	(176,533,722)	5,837,653	(170,683,574)	(50,683,574)	
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	125,223	(125,223)	-	-	
Revaluation surplus arising during the period	-	-	3,454,532	3,454,532	3,454,532	
Effect of items directly credited in equity by the associated companies	-	-	-	-	-	
Profit for the period	-	(10,583,715)	-	(10,583,715)	(10,583,715)	
Other comprehensive income for the period	3,236	456,909	-	460,145	460,145	
Total comprehensive loss for the period	3,236	(10,126,806)	-	(10,123,570)	(10,123,570)	
<b>Balance as at 31 March 2023</b>	<b>15,731</b>	<b>(186,535,305)</b>	<b>9,166,962</b>	<b>(177,352,612)</b>	<b>(57,352,612)</b>	
120,000,000	15,916	(176,018,703)	8,838,188	(167,164,599)	(47,164,599)	
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	199,593	(199,593)	-	-	
Revaluation surplus arising during the period	-	-	-	-	-	
Effect of items directly credited in equity by the associated companies	-	-	-	-	-	
Profit for the period	-	(8,184,081)	-	(8,184,081)	(8,184,081)	
Other comprehensive income for the period	15,348	5,461,744	-	5,477,093	5,477,093	
Total comprehensive loss for the period	15,348	(2,722,337)	-	(2,706,988)	(2,706,988)	
<b>Balance as at 31 March 2024</b>	<b>31,264</b>	<b>(178,541,447)</b>	<b>8,638,596</b>	<b>(169,871,587)</b>	<b>(49,871,587)</b>	

(Rupees)

**Balance as at 01 July 2022**  
Incremental depreciation on surplus on revaluation of property, plant & equipment  
Revaluation surplus arising during the period  
Effect of items directly credited in equity by the associated companies  
Profit for the period  
Other comprehensive income for the period  
Total comprehensive loss for the period  
**Balance as at 31 March 2023**

**Balance as at 01 July 2023**  
Incremental depreciation on surplus on revaluation of property, plant & equipment  
Revaluation surplus arising during the period  
Effect of items directly credited in equity by the associated companies  
Profit for the period  
Other comprehensive income for the period  
Total comprehensive loss for the period  
**Balance as at 31 March 2024**

The annexed notes form an integral part of these condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS For Nine Months Ended March 31, 2024 (Un-Audited)

	March 2024 Rupees	March 2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation	(6,252,749)	(9,657,589)
<b>Adjustments for :</b>		
Depreciation	544,538	586,134
Impairment/(Reversal) of impairment on long term investment	(227,125)	8,025,380
Share of profit / (loss) of associated company	1,820,115	(3,753,939)
Interest income	-	31,648
Finance cost	7,462,581	7,809,496
	<u>9,600,109</u>	<u>12,698,719</u>
<b>Operating Profit before Working Capital Changes</b>	<b>3,347,360</b>	<b>3,041,130</b>
<b>Changes in Working Capital (Increase) / Decrease in Current Assets</b>		
Stock-in-trade	(4,372,976)	(1,870,650)
Trade debts	(2,660,236)	(1,614,564)
Loans and Advances	(310)	-
Short term prepayments	-	(18,968)
Other Receivables	519,772	544,203
	<u>(6,513,750)</u>	<u>(2,959,979)</u>
<b>Increase / (Decrease) in Current Liabilities</b>		
Trade and Other Payables	18,369,038	4,015,258
<b>Changes in Working Capital</b>	<b>11,855,288</b>	<b>1,055,279</b>
<b>Cash Generated from / (used in) Operations</b>	<b>15,202,648</b>	<b>4,096,409</b>
Taxes paid	(44,183)	(18,968)
Finance Cost Paid	(500)	(5,150)
<b>Net Cash Generated from / (Used in) Operating Activities</b>	<b>15,157,965</b>	<b>4,072,291</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Net Cash Generated from Investing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Cash Flows Before Financing Activities</b>	<b>15,157,965</b>	<b>4,072,291</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings	(15,609,992)	(4,687,250)
Interest Income	-	-
<b>Net Cash Flows From Financing Activities</b>	<b>(15,609,992)</b>	<b>(4,687,250)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(452,027)</b>	<b>(614,959)</b>
<b>Cash &amp; Cash Equivalents at the Beginning</b>	<b>1,229,394</b>	<b>1,620,419</b>
<b>Cash &amp; Cash Equivalents at the End</b>	<b>777,367</b>	<b>1,005,460</b>

The annexed notes form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION For Nine Months Ended March 31, 2024 (Un-Audited)

### 1 STATUS AND NATURE OF BUSINESS

The Company was incorporated under the Companies Ordinance, 1984 as Public Limited Company on 27th September 1994. The shares of the company are quoted on Karachi and Lahore Stock Exchanges of Pakistan. The main activity of the company is to manufacture and process of Di-Octyle-Ortho Phthalates (DOP) Chemicals. Currently the company is to produce Lith and Diltex Binder. The registered office of the company is situated at Gadoon Amazai, Industrial Estate, Swabi, Khyber Pakhtoonkhwa.

### 2 BASIS OF PREPARATION

Company has prepared these financial statement on going concern basis because company has started its business operations by production furniture, however company is suffering loss before taxation amounting to Rupees =8.422/- Million but management has strong believes that soon company shall do profitable business. However company's operations in Pakistan stock exchange are still suspended. Keeping in view the fact Management of the Company has stopped to use realisable/ settlement values of assets and liabilities in current year however comparative financial statement was prepared on realisable/ settlement values of assets and liabilities. In realisable/ settlement value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, that is undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business. Realisable / settlement values of assets and liabilities respectively as disclosed in the balance sheet were based on the managements' estimate, except for property, plant and equipment which were valued by independent valuer.

These financial statements have also been prepared under historical cost convention except for Building, Plant & Machinery which is stated on revalued amounts.

These condensed interim financial statements are un-audited and are submitted to the shareholders as required under Section 237 of the Companies Act, 2017. These interim financial statements are prepared in accordance with the requirements of the International Accounting Standards 34 ' Interim Financial Reporting '.

### 3 ACCOUNTING POLICIES

The accounting policies adopted in preparation of these financial statements are the same as those applied in the preparation of the preceding annual audited published financial statements of the Company.

### 4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of shares		Un-Audited March 31, 2024 Rupees	Audited June 30, 2023 Rupees
March 31, 2024	June 30, 2023		
12,000,000	12,000,000	120,000,000	120,000,000
12,000,000	12,000,000	120,000,000	120,000,000

### 5 DEFERRED INCOME TAX

	Mar - 2024		
	Balance at the beginning of the period	Recognized in profit & loss account	Balance at the end of the period
Accelerated tax depreciation allowance	2,540,029	(2,073)	2,542,102
Effect of accumulated tax losses	(10,550,044)	-	(10,550,044)
	(8,010,015)	(2,073)	(8,007,942)
Non-recognition of deferred tax asset	8,010,015	2,073	8,007,942
	-	-	-



## SHAFFI CHEMICAL INDUSTRIES LIMITED

5.1 Deferred tax asset of Rs. 8.008 million (2023: 8.01 million) has not been recognised because the company is continuously sustaining losses and in the future years sufficient taxable profits will not be available against which they can be utilized.

### 6 CONTINGENCIES AND COMMITMENTS

There is no major change in contingencies and commitments as have been disclosed in last audited financial statement of the Company.

	Un-Audited December 2023 Rupees	Audited June 2023 Rupees
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>		
Book value at the beginning of the period	11,738,736	12,404,575
Revaluation arising during the period	-	-
Less: Depreciation charged during the period	7.1 (544,538)	(665,839)
	<u>11,194,197</u>	<u>11,738,736</u>
<b>7.1 Allocation of Depreciation</b>		
Administrative Expenses	7.2 544,538	665,839
<b>8 INVESTMENTS</b>		
Long term investment in associated company under equity method	8.1 38,460,600	36,359,081
Long term investment available for sale	41,451	26,102
	<u>38,502,051</u>	<u>36,385,183</u>
<b>8.1 Long term investment in associated company under equity method</b>		
Long term investment in associated company under equity method	38,460,600	36,359,081
Less: Impairment loss		
At the beginning of the period	-	(10,986,154)
Impairment loss charged during the period	(227,125)	10,986,154
Reversal of impairment loss during the period	227,125	-
	-	10,986,154
At the end of the period	-	-
	<u>38,460,600</u>	<u>36,359,081</u>
	-	-
<b>9 STOCK-IN-TRADE</b>		
Finished goods	5,162,409	789,433

	Un-Audited Quarter Ended March 2024 Rupees	Un-Audited March 2023 Rupees	Un-Audited Half Year Ended March 2024 Rupees	Un-Audited March 2023 Rupees
<b>10 COST OF SALES</b>				
Cost of goods manufactured	13,406,872	13,769,256	8,941,313	12,512,613
Opening finished goods	789,433	-	789,433	-
	<u>14,196,305</u>	13,769,256	<u>9,730,746</u>	12,512,613
Closing finished goods	(5,162,409)	1,870,650	(4,973,211)	789,433
	<u>9,033,896</u>	11,898,606.0	<u>5,546,968</u>	11,723,180.0



## SHAFFI CHEMICAL INDUSTRIES LIMITED

### 11 EARNINGS PER SHARE

Profit / (loss) after taxation	<u>(8,184,081)</u>	<u>(10,583,714)</u>	<u>(1,151,546)</u>	<u>(829,172)</u>
	<b>Number of shares</b>		<b>Number of shares</b>	
Issued, Subscribed and Paid up Capital	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>
	<b>Nine Months Ended</b>		<b>Quarter Ended</b>	
	<b>March 2024</b>	<b>March 2023</b>	<b>March 2024</b>	<b>March 2023</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Earnings per share	<u>(0.68)</u>	<u>(0.88)</u>	<u>(0.10)</u>	<u>(0.07)</u>

### 12 TRANSACTIONS WITH RELATED PARTIES

Transactions and contracts with the related parties are carried out at arm's length prices determined in accordance with comparable uncontrolled price method.

The related parties comprises of associated companies, directors of the companies, key management personnels and staff retirement funds.

Detail of transactions with related parties:

	<u>Un-Audited</u>	<u>Audited</u>
	<u>March 2024</u>	<u>June 30, 2023</u>
	<u>Rupees in Millions</u>	
<b>Loan from related party</b>		
Capital Industrial Enterprises (Private) Limited	(28.310)	(43.920)
<b>Mark-up on loan from related party</b>		
Capital Industrial Enterprises (Private) Limited	7.46	9.25
<b>Purchases from related party</b>		
Diamond Products (Private) Limited	10.939	-

13 Figures have been rounded off to the nearest rupee.

14 These condensed set of interim financial information was authorised for issue on **April 26, 2024** by the board of directors of the Company.

Chief Executive

Chief Financial Officer

Director