



## **SHAFFI CHEMICAL INDUSTRIES LIMITED**

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# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CORPORATE PROFILE

### BOARD OF DIRECTORS

1.	Mr. Ifikhar Shaffi	Chief Executive	<i>(Executive)</i>
2.	Mr. Qaiser Sakeem Khan	Director	<i>(Independent)</i>
3.	Mr. Imran Kabir	Director	<i>(Independent)</i>
4.	Mr. Muhammad Sameer	Director	<i>(Non-Executive)</i>
5.	Mr. Abdul Shakoor	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

TABUSSUM SALEEM & CO.  
Office No. 1, 3<sup>rd</sup> Floor, Madina 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

### PRINCIPLE OFFICE

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

### SHARE REGISTRAR

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



## **SHAFFI CHEMICAL INDUSTRIES LIMITED**

### **DIRECTORS' REPORT**

Dear Shareholders,

On behalf of the Board of Directors of **Shaffi Chemical Industries Limited** I am pleased to place before you the unaudited financial statements of the company for the half year ended December, 31, 2019.

#### **FINANCIAL HIGHLIGHTS:**

As company has suspended all its industrial activities, resulting in no sales & Gross Profit thereon, However company has incurred certain operating expenses resulting in a Profit/(Loss) after taxation of Rs. (2.697) million comparing to Rs. (1.033) million of the corresponding quarter ended 31/12/2018. The major reason for increase in loss is the accumulation of unpaid interest in last outstanding balance and adjustment of positive impact in share of investment in associated company upon settlement of longstanding dispute with ABL during the year. The disputed cases relating to First Capital ABN AMRO equities (Pakistan) Ltd, Lahore Stock Exchange and others are being contested vigorously at its proper forums by your company and are explained in the latest annual financial statements for the P.E. June 30, 2019 under the title "Contingencies and Commitments".

#### **FUTURE OUTLOOK:**

As explained in director's report of latest annual financial statements, that the company has settled all its long outstanding issues / litigations with ABL last year. However keeping in view the current economic condition prevailing in the country and Govt policy to reduce current account deficit, sharp devaluation of Pak Rupee against US dollar, financial institutions are reluctant to finance any import based business. Meanwhile for the sake of the interest of minority shareholders, the company is in process to delist and to buy back the shares and hope to complete it in near future.

#### **EARNING PER SHARE:**

The earnings per share of the company for the half year ended under review is Rs. (0.22) as compared to Rs. (0.09) in the corresponding half year ended 31<sup>st</sup> December, 2018.

#### **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.

IMRAN KABIR  
Director

Lahore

Dated:- 26<sup>th</sup> February, 2020

For and on behalf of Board

IFTIKHAR SHAFFI  
Chief Executive



## SHAFFI CHEMICAL INDUSTRIES LIMITED

### ڈائریکٹر رپورٹ

شفیع کیمیکلز انڈسٹریز کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2019 کو ختم ہونے والے ششماہی کے لئے کمپنی کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرتے ہیں۔

#### مالیاتی جائزہ:

جیسا کہ کمپنی نے تمام صنعتی سرگرمیوں کو معطل کر دیا ہے جس کے نتیجے میں کوئی فروخت / منافع نہیں ہے۔ تاہم کمپنی نے کچھ آپریٹنگ اخراجات کئے ہیں جن کے نتیجے میں پچھلے سہ ماہی مدت 2018 کے نقصان (1.033) ملین کے مقابلے میں موجودہ نقصان (2.697) ملین روپے ہوا۔ نقصان میں اضافے کی بڑی وجہ نادا کردہ انٹرسٹ میں اضافہ ہے اور ایسوسی ایٹڈ کمپنی میں شیئرز کی انوسٹمنٹ کا مثبت پہلو رہا ہے۔ جس نے الائیڈ بینک کے ساتھ پرانا تنازع حل کر لیا ہے۔

قانونی معاملات جو کہ فرسٹ ABN AMRO ایکویٹی اور شاٹ آپکھینج اور دوسرے معاملات کو جو کہ 30 جون 2019 کی فنانشل رپورٹ میں درج کیے گئے ہیں، کمپنی کی طرف سے متواتر حل کرنے کی کوشش کی جا رہی ہے۔

#### مستقبل کے نقطہ نظر:

کمپنی مئی 2018ء میں الائیڈ بینک لمیٹڈ کے ساتھ تصفیہ میں داخل ہوئی اور الائیڈ بینک لمیٹڈ کے ساتھ تمام دیرینہ مقدمات کو باہمی طور پر حل کیا گیا، اور اب کمپنی مالیاتی اداروں سے نئے قرضوں کے لئے بات کر رہی ہے۔ تاہم موجودہ معاشی حالات، کرنٹ اکاؤنٹ خسارے کو کم کرنے والی سرکاری پالیسی اور بڑھتے ہوئے ڈالر ریٹ میں اضافے کی وجہ سے مالیاتی ادارے نئے قرضے فراہم کرنے میں ہچکچا رہے ہیں۔

#### فی حصص آمدنی:

جائزہ کے تحت مدت کیلئے کمپنی کافی حصہ آمدنی (0.22) ہے۔ جو کہ گزشتہ ششماہی میں 31 دسمبر، 2018 کو (0.09) رہا۔

#### اعتراف:

بورڈ آف ڈائریکٹر عملے، کارکنوں اور دیگر تمام اسٹیک ہولڈرز کی کارکردگی کی اطلاع شدہ سطح کے حصول میں ان کی مسلسل حمایت پر دل کی گہرائیوں سے اپنی تعریف کا اظہار کرتا ہے۔

بورڈ کی طرف سے

  
افتخار شفیع  
چیف ایگزیکٹو

  
عمران کبیر  
ڈائریکٹر

لاہور

تاریخ: 26 فروری 2020



## **SHAFFI CHEMICAL INDUSTRIES LIMITED**

### **AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

#### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of Shaffi Chemical Industries Limited as at December 31, 2019 and the related condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial information for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of other comprehensive income for the quarters ended December 31, 2019 and 2018 have not been reviewed, and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2019.

#### **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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Basis of Qualified Opinion**

Company have declared unclaimed dividend amounting to Rs. 2.690 million (overdue) for previous years has not been deposited into Government treasury nor has notification been issued to shareholders, Based on our review, except for above observation nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

#### **Emphasis of Matter**

We draw your attention to note # 2 to the condensed interim financial information, which states that this condensed interim financial information has been prepared on the basis of estimated realizable/ (settlement) values of assets and liabilities respectively in addition to historical cost convention as the Company is no longer a going concern for the reason stated in aforesaid note. Our conclusion is not qualified in respect of this matter.

**TABUSSUM SALEEM & CO.**  
Chartered Accountants  
Engagement Partner:  
Muhammad Aslam Tabussum (FCA)

**Place: Lahore**  
**Dated: 26 February 2020**



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	Note	December 31, 2019 (Un-Audited)		June 30, 2018 (Audited)	
		Book Value	Estimated	Book Value	Estimated
			Realizable/ Settlement Value		Realizable/ Settlement Value
<b>ASSETS</b>					
Cash and Bank Balances		383,910	383,910	479,437	479,437
Loans and Advances		701,494	701,494	665,352	665,352
Other Receivables		2,311,931	2,311,931	2,222,882	2,222,882
Security Deposits		223,560	223,560	223,560	223,560
Investments	5	28,680,268	46,073	30,248,164	46,073
Property, Plant and Equipment	6	13,519,543	11,142,350	13,911,914	11,142,350
<b>TOTAL ASSETS</b>		<b>45,820,706</b>	<b>14,809,317</b>	<b>47,751,310</b>	<b>14,779,654</b>
<b>LIABILITIES</b>					
Accrued and Other Payables		7,245,046	7,245,046	7,189,266	7,189,266
Unclaimed Dividend		2,690,056	2,690,056	2,690,056	2,690,056
Accrued Markup		9,430,413	9,430,413	7,693,910	7,693,910
Payable to Director & Sponsors		33,491,574	33,491,574	33,491,574	33,491,574
Payable to associated company		26,435,350	26,435,350	25,655,350	25,655,350
Deferred liabilities		-	-	-	-
Provision for taxation	7	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>79,292,440</b>	<b>79,292,439</b>	<b>76,720,156</b>	<b>76,720,156</b>
<b>NET ASSETS</b>		<b>(33,471,734)</b>	<b>(64,483,122)</b>	<b>(28,968,846)</b>	<b>(61,940,502)</b>
<b>REPRESENTED BY:-</b>					
<b>Authorized Capital</b>					
12,000,000 Ordinary shares of Rs. 10/- each		120,000,000	120,000,000	120,000,000	120,000,000
<b>Issued, Subscribed and Paid Up Capital</b>					
12,000,000 Ordinary shares of Rs. 10/- each fully paid in cash	8	120,000,000	120,000,000	120,000,000	120,000,000
Fair Value Reserve		40,316	40,316	35,887	35,887
Accumulated Losses		(160,100,929)	(160,100,929)	(155,758,217)	(155,758,217)
Share Holders' Equity		(40,060,613)	(40,060,613)	(35,722,330)	(35,722,330)
Surplus on Revaluation of Property, Plant and Equipments		6,588,880	-	6,753,484	-
Net Surplus on Estimated Realizable/Settlement Value		-	(24,422,509)	-	(26,218,172)
Contingencies & Commitments	9	-	-	-	-
		<b>(33,471,734)</b>	<b>(64,483,122)</b>	<b>(28,968,847)</b>	<b>(61,940,502)</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

  
**Chief Executive**

  
**Chief Financial Officer**

  
**Director**



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT For The Half Year Ended December 31, 2019 (Un-Audited)

Notes	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees		
Sales - net	-	-	-	-
Cost of Sales	-	-	-	-
Gross Profit	-	-	-	-
Administrative Expenses	(1,157,204)	(1,046,199)	(621,753)	(537,983)
Other Operating Income/(Expenses)	(31,429)	(31,452)	(31,461)	(31,473)
	(1,188,633)	(1,077,651)	(653,214)	(569,456)
	(1,188,633)	(1,077,651)	(653,214)	(569,456)
Finance Cost	(1,746,358)	(518,682)	(894,064)	(274,691)
	(2,934,991)	(1,596,333)	(1,547,277)	(844,147)
Share of Profit / (Loss) of Associated Company	331,920	(373,457)	732,442	(562,385)
Profit / (Loss) before Taxation	(2,603,071)	(1,969,790)	(814,835)	(1,406,532)
Taxation				
-Current	-	-	-	-
-Share of Tax of Associated Company	(94,503)	936,093	(212,408)	(2,804,163)
	(94,503)	936,093	(212,408)	(2,804,163)
Profit / (Loss) after Taxation	(2,697,574)	(1,033,697)	(1,027,243)	(4,210,695)
Earnings per share	10 (0.22)	(0.09)	(0.09)	(0.35)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chief Financial Officer

  
Director



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME For The Half Year Ended December 31, 2019 (Un-Audited)

	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	(2,697,574)	(1,033,697)	(1,027,243)	(4,210,695)
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified to profit or loss				
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	(1,809,742)	724,424	(366,839)	835,857
Unrealized gain arising on remeasurement of available for sale investments	4,429	(15,348)	9,690	(7,989)
Other Comprehensive income for the period	(1,805,313)	709,076	(357,149)	827,868
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(4,502,887)</b>	<b>(324,621)</b>	<b>(1,384,393)</b>	<b>(3,382,827)</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Chief Executive

Chief Financial Officer

Director





# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS For The Half Year Ended December 31, 2019 (Un-Audited)

	Half Year Ended	
	December 31, 2019	December 31, 2018
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation	(2,603,071)	(1,969,790)
<b>Adjustments for :</b>		
Depreciation	392,373	426,425
Reversal of impairment on long term investment	-	-
Share of profit / (loss) of associated company	(331,920)	373,457
Interest income	(71)	(48)
Finance cost	1,746,358	518,682
	<b>1,806,739</b>	<b>1,318,515</b>
<b>Operating Profit before Working Capital Changes</b>	<b>(796,332)</b>	<b>(651,275)</b>
<b>Changes in Working Capital</b>		
<b>(Increase) / Decrease in Current Assets</b>		
Loans and Advances	(20,591)	(39,695)
Other Receivables	(89,050)	(81,483)
	<b>(109,641)</b>	<b>(121,178)</b>
<b>Increase / (Decrease) in Current Liabilities</b>		
Trade and Other Payables	55,780	(115,100)
<b>Changes in Working Capital</b>	<b>(53,861)</b>	<b>(236,278)</b>
<b>Cash Generated from / (used in) Operations</b>	<b>(850,193)</b>	<b>(887,553)</b>
Taxes paid	(15,551)	(12,227)
Finance Cost Paid	(9,855)	(16,386)
<b>Net Cash Generated from / (Used in) Operating Activities</b>	<b>(875,600)</b>	<b>(916,166)</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>(875,600)</b>	<b>(916,166)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings	780,000	950,000
Interest Income	71	48
<b>Net Cash Flows From Financing Activities</b>	<b>780,071</b>	<b>950,048</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(95,529)</b>	<b>33,882</b>
<b>Cash &amp; Cash Equivalents at the Beginning</b>	<b>479,438</b>	<b>611,639</b>
<b>Cash &amp; Cash Equivalents at the End</b>	<b>383,909</b>	<b>645,521</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chief Financial Officer

  
Director



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY For The Half Year Ended December 31, 2019 (Un-Audited)

	SHARE CAPITAL	CAPITAL RESERVES		REVENUE RESERVES		Surplus on revaluation of property, plant and equipment	TOTAL RESERVES	TOTAL EQUITY
		Fair Value Reserve	(Accumulated Loss) / Unappropriated Profit					
<b>Balance as at 01 July 2018</b>	120,000,000	56,261	(176,535,160)	71,095,525	(176,478,899)	(56,478,899)		
Effect of items directly credited in equity by the associated companies	-	-	27,092,013	-	27,092,013	27,092,013		
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	-	178,036	(178,036)	178,036	178,036		
Profit for the period	-	-	(1,033,697)	(1,033,697)	(1,033,697)	(1,033,697)		
Other comprehensive income for the period	-	(15,348)	724,424	-	709,076	709,076		
Total comprehensive income for the period	-	(15,348)	(309,273)	(309,273)	(324,621)	(324,621)		
<b>Balance as at 31 December 2018</b>	<b>120,000,000</b>	<b>40,913</b>	<b>(149,574,384)</b>	<b>6,931,521</b>	<b>(149,533,471)</b>	<b>(29,533,471)</b>		
<b>Balance as at 01 July 2019</b>	120,000,000	35,887	(155,758,217)	6,753,484	(155,722,330)	(35,722,330)		
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	-	164,605	(164,605)	164,605	164,605		
Profit for the period	-	-	(2,697,574)	(2,697,574)	(2,697,574)	(2,697,574)		
Other comprehensive income for the period	-	4,429	(1,809,742)	-	(1,805,313)	(1,805,313)		
Total comprehensive loss for the period	-	4,429	(4,507,316)	-	(4,502,887)	(4,502,887)		
<b>Balance as at 31 December 2019</b>	<b>120,000,000</b>	<b>40,316</b>	<b>(160,100,929)</b>	<b>6,588,880</b>	<b>(160,060,613)</b>	<b>(40,060,613)</b>		

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Chief Executive

Chief Financial Officer

Director



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION For The Half Year Ended December 31, 2019 (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 GOING CONCERN ASSUMPTION

During the Half Year ended December 31, 2019, the company reported gross loss of Rupees =Nil. The company has accumulated losses and shareholders' equity Rupees 160.101 Million and Rupees (40.061) Million respectively as on December 31, 2019. During the year Sales of company was Nil. Company remained closed for the year. Management of the company had decided to go for delisting therefore all the employees were laid off in the year ended June 30, 2015. These factors have raised uncertainties that the company may not be able to continue as a going concern. Therefore these financial statements have been prepared on the basis of estimated realisable/ settlement values of assets and liabilities respectively in addition to historical cost convention. All assets and liabilities in these financial statements have been presented in the order of liquidity.

### 3 BASIS OF PREPARATION

Keeping in view the fact that company may not be able to continue as going concern, these financial statements are prepared on the basis of realisable/ settlement values of assets and liabilities respectively. 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 are based on the managements' estimate, except for property, plant and equipment which are valued by independent valuer.

In addition to the accounting convention of realisable / settlement values of assets and liabilities, 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'.

### 4 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.

### 5 INVESTMENTS

Long term investment in associated company under equity method  
Long term investment available for sale

	Un-Audited December 31, 2019 Rupees	Audited June 30, 2019 Rupees
5.1	28,629,766	30,202,091
	50,502	46,073
	<u>28,680,268</u>	<u>30,248,164</u>



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## 5.1 Long term investment in associated company under equity method

Long term investment in associated company under equity method	28,629,766	30,202,091
Less: Impairment loss		
At the beginning of the period	-	-
Reversal of impairment loss during the period	-	-
Impairment loss for the period	-	-
At the end of the period	-	-
	<b>28,629,766</b>	<b>30,202,091</b>

Un-Audited	Audited
December 31, 2019	June 30, 2019
Rupees	Rupees

## 6 PROPERTY, PLANT AND EQUIPMENTS

Book value at the beginning of the period	13,911,914	14,839,430
Less: Depreciation charged during the period	6.1 (392,373)	(927,516)
	<b>13,519,541</b>	<b>13,911,914</b>

### 6.1 Allocation of Depreciation

Administrative Expenses	392,373	927,516
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## 7 DEFERRED INCOME TAX

	December-2019		
	Balance at the beginning of the period	Recognized in profit & loss account	Balance at the end of the period
Accelerated tax depreciation allowance	1,313,105	18,177	1,331,282
Surplus on revaluation of property, plant and equipment	1,765,439	(3,154,214)	1,388,775
Net temporary differences	3,078,544	(3,136,037)	(57,493)
Effect of accumulated tax losses	(5,574,940)	(409,113)	(5,984,053)
	(2,496,396)	(3,545,150)	(6,041,546)
Non-recognition of deferred tax asset	7.1 2,496,396	3,545,150	6,041,546
	-	-	-

7.1 Deferred tax asset of Rs. 6.121 million (2019: 2.496 million; 2018: 4.204 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.

## 8 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of shares		Un-Audited	Audited
December 31, 2019	June 30, 2019	December 31, 2019	June 30, 2019
		Rupees	Rupees
12,000,000	12,000,000	120,000,000	120,000,000
12,000,000	12,000,000	120,000,000	120,000,000

## 9 CONTINGENCIES AND COMMITMENTS

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



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## 10 EARNINGS PER SHARE

	Half Year Ended		Quarter Ended	
	Un-Audited December 31, 2019	Un-Audited December 31, 2018	Un-Audited December 31, 2019	Un-Audited December 31, 2018
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) after taxation	(2,697,574)	(1,033,697)	(1,027,243)	(4,210,695)
	Number of shares		Number of shares	
Issued, Subscribed and Paid up Capital	12,000,000	12,000,000	12,000,000	12,000,000
	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
Earnings per share	(0.22)	(0.09)	(0.09)	(0.35)

## 11 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:

	Un-Audited December 31, 2019	Audited June 30, 2019
	Rupees in Millions	
<b>Loan from related party</b>		
Capital Industrial Enterprises (Private) Limited	(26.435)	(25.655)
<b>Mark-up on loan from related party</b>		
Capital Industrial Enterprises (Private) Limited	(9.430)	(7.694)

12 Figures have been rounded off to the nearest rupee.

13 These condensed set of interim financial information was authorized for issue on **February 26, 2020** by the board of directors of the Company.

  
Chief Executive

  
Chief Financial Officer

  
Director