



SHAFFI CHEMICAL INDUSTRIES LIMITED

**For the Half Year Ended
31 December, 2022**



SHAFFI CHEMICAL INDUSTRIES LIMITED

Corporate Profile	1
Directors' Report	2
ڈائریکٹرز رپورٹ	3
Review Report	4
Condensed Interim Statement of Financial Position	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Statement of Cash Flows	8
Condensed Interim Statement of Changes in Equity	9
Condensed Interim Notes to the Financial Information	10,11,12



SHAFFI CHEMICAL INDUSTRIES LIMITED

CORPORATE PROFILE

BOARD OF DIRECTORS

1.	Mr. Iftikhar 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.	Mrs. Seema Iftikhar	Director	<i>(Non-Executive)(Chairman of Board)</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, 3rd 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 Pakhtoonkhwa
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, 1-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 half yearly financial statements of the company for the quarter ended December, 31, 2022.

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.

Accordingly, during the last six months period under review, the company has secure sale revenue of Rs. 5.983 million from furniture business and earned operating profit of Rs. 0.850 million as against loss of Rs. (2.563) of the preceding period ended December 31, 2021 whereas after adjustment of finance Cost of Rs. (4.877) million and share of Profit/(loss) from associated company of Rs. 3.937 million, Net Profit/(Loss) after tax arrived at Rs. (8.954) million as compare to Rs. (0.407) million of the corresponding period ended December 31, 2021. 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, 2022 under the title "Contingencies and Commitments".

FUTURE OUTLOOK:

As the company has settled all the disputes with Allied Bank Limited and all the longstanding issued / litigations with ABL has also been settled amicably. However keeping in view the 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 half year under review is Rs. (0.75) as compared to Rs. (0.03) in the corresponding half year ended December 31, 2021.

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.

IFTIKHAR SHAFFI
Chief Executive
Lahore: 23rd February, 2023

For and on behalf of Board

IMRAN KABIR
Director



SHAFFI CHEMICAL INDUSTRIES LIMITED

ڈائریکٹرز رپورٹ

پیارے شیئر ہولڈرز،

شفیع کیمیکل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے مجھے 31 دسمبر 2022 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے غیر آڈٹ شدہ ششماہی مالیاتی گوشواروں کو آپ کے سامنے پیش کرتے ہوئے خوشی ہو رہی ہے۔

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 واجبات کا تصفیہ کر دیا ہے اور تمام زیر التواء قانونی چارہ جوئی بھی دونوں فریقوں کی طرف سے واپس لے لی گئی ہے۔ مزید یہ کہ PSX ریگولیشنز کی شق 5.11.1 (e) کی ڈیٹاٹ کو درست کرنے کے لیے، کمپنی نے اپنی تمام سالانہ لسٹنگ فیس بھی PSX کو ادا کر دی ہے اور کمپنی کا نام ڈیٹا ٹریڈنگ سے ہٹانے اور کمپنی کا نام تبدیل 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 کمپنیز کے ڈپٹی رجسٹرار پشاور کی طرف سے دائر کی گئی پٹیشن کو وائس اپ کیا گیا اور معزز ہائی کورٹ پشاور میں زیر التواء ہے جس کا کمپنی نے بھر پور طریقے سے مقابلہ کیا اور ہمارے بحالی کے منصوبے کی تعمیل کرتے ہوئے عزت مآب کے سامنے پیش کیا۔ ہائی کورٹ پشاور کے حکم پر انتظامیہ نے فیکٹری کے احاطے میں فرنچیز کا کاروبار اس امید کے ساتھ شروع کیا ہے کہ اگر فرنچیز مارکیٹ نے اسے سراہا تو مستقبل میں بھی فرنچیز کے کاروبار کو وسعت ملتی رہے گی اور ورکنگ کپٹل کی ضرورت کے پیش نظر کمپنی شروع کرے گی کمپنیز ایکٹ 2017 کی تمام قابل اطلاق شتوں اور اس پر موجود دیگر تمام قانونی فورم کی تعمیل میں موجودہ شیئر ہولڈرز کو رائٹ شیئرز جاری کرنے کا عمل۔

اس کے مطابق، زیر جائزہ گزشتہ چھ ماہ کی مدت کے دوران، کمپنی نے محفوظ پسل ریونیو 5.983 ملین Rs. فرنچیز کے کاروبار سے اور 0.850 ملین روپے کا آپریٹنگ منافع کمایا۔ (2.563) روپے کے نقصان کے مقابلے میں 31 دسمبر 2021 کو ختم ہونے والی سابقہ مدت کا جبکہ فنانس کی ایڈجسٹمنٹ کے بعد لاگت (4.877) ملین اور منسلک کمپنی سے منافع (نقصان) کا حصہ 3.937 Rs. ملین، ٹیکس کے بعد خالص منافع (نقصان) (8.954) ملین روپے تک پہنچ گیا۔ (0.407) ملین روپے کے مقابلے میں 31 دسمبر 2021 کو ختم ہونے والی اسی مدت کا فرسٹ کپٹل AMROABN ایکویٹیز (پاکستان) لمیٹڈ، لاہور شاخ ایکٹیو اور دیگر متعلق تنازعہ کیسز کا آپ کی کمپنی کے مناسب فورمز پر بھر پور طریقے سے مقابلہ کیا جا رہا ہے اور ان کی وضاحت P.E کے لیے تازہ ترین سالانہ مالیاتی بیانات 30 جون، 2022 کو "ہنگامی حالات اور وعدے" کے عنوان سے۔

مستقبل کا نقطہ نظر:

چونکہ کمپنی نے الائیڈ بینک لمیٹڈ کے ساتھ تمام تنازعات اور ABL کے ساتھ تمام دیرینہ جاری/قانونی چارہ جوئی کو بھی خوش اسلوبی سے طے کر لیا ہے۔ تاہم ملک کی موجودہ معاشی صورتحال اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں تیزی سے کمی کے پیش نظر اپنی بنیادی کاروباری سرگرمیاں دوبارہ شروع کرنا ممکن نہیں، تاہم ابتدائی طور پر کمپنی نے بچت سے نشٹے کے لیے فیکٹری کے احاطے میں فرنچیز کا نیا کاروبار شروع کیا ہے۔ اس کے اقلیتی شیئر ہولڈرز کی دولت اور اگر ممکن ہو تو انتظامیہ اس فرنچیز کے کاروبار کو بڑھانے اور مطلوبہ کاروباری آپریشنز کے لیے ضروری اقدامات کرے گی، مقررہ وقت میں موجودہ شیئر ہولڈرز کو رائٹ شیئرز جاری کرے گی کمپنی کے ورکنگ کپٹل میں اضافہ کیا جائے گا۔ مستقبل میں وقت، دریں اثنا، کمپنی نے PSX سے کمپنی کا نام ڈیٹا ٹریڈنگ سے ہٹانے کی درخواست کی ہے، تاہم مستقبل قریب میں کمپنی کے حصص کی تجارت بھی شروع کی جاسکے۔

فی حصص آمدنی:

زیر جائزہ ششماہی کے لیے کمپنی کی فی حصص آمدنی (0.75) روپے ہے۔ (0.03) روپے کے مقابلے میں 31 دسمبر 2021 کو ختم ہونے والی اسی ششماہی میں۔

اعتراف:

بورڈ آف ڈائریکٹرز، عملے، کارکنوں اور دیگر تمام اسٹیک ہولڈرز کی کارکردگی کی اطلاع دی گئی سطح کو حاصل کرنے میں ان کی مسلسل حمایت کے لیے دل کی گہرائیوں سے تعریف کرتا ہے۔
بورڈ کے لیے اور اس کی جانب سے

عمران کبیر

ڈائریکٹر

افتخار شفیع

چیف ایگزیکٹو

لاہور: 23 فروری، 2023



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, 2022 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, 2022 and 2021 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, 2022.

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 Opinion

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, 2022 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 Historical cost convention in current period, instead of estimated realizable/ (settlement) values of assets and liabilities respectively which are used to prepare financial statement till June 30, 2022. Our conclusion is not qualified in respect of this matter.

HLB IJAZ TABUSSUM & CO.
Chartered Accountants
Engagement Partner:
Mrs. Saira Mudassar (FCA)

Place: Lahore
Dated: February 23, 2023
UDIN: RR202210189zf8sl2e39



SHAFFI CHEMICAL INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022 (UN-AUDITED)

Note	December 31, 2022	June 30, 2022 (Audited)	
	Book Value	Book Value	Estimated
			Realizable/ Settlement Value
Authorized Capital			
12,000,000 (2022: 12,000,000) Ordinary shares of Rs. 10/- each	120,000,000	120,000,000	120,000,000
Issued, Subscribed and Paid Up Capital			
12,000,000 (2022: 12,000,000) Ordinary shares of Rs. 10/- each fully paid in cash	4 120,000,000	120,000,000	120,000,000
Surplus on Revaluation of Property, Plant and Equipments	9,118,405	5,837,653	-
Fair Value Reserve	14,709	12,495	12,495
Accumulated Losses	(185,013,830)	(176,533,722)	(176,533,722)
Share Holders' Equity	(55,880,716)	(50,683,575)	(56,521,228)
Net surplus on estimated realisable/settlement value	-	-	5,412,958
Non-current Liabilities			
Deferred liabilities	5 -	-	-
Current Liabilities			
Payable to Director & Sponsors	33,491,574	33,491,574	33,491,574
Payable to Associated Company	44,018,334	48,705,584	48,705,584
Accrued and Other Payables	11,318,581	3,208,396	3,208,396
Accrued Markup	19,692,046	14,814,200	14,814,200
Provision for Taxation	74,794	-	-
	108,595,330	100,219,754	100,219,754
Contingencies and Commitments	6 -	-	-
	52,714,614	49,536,179	49,111,485
Non-current Assets			
Property, Plant and Equipment	7 14,883,751	11,738,736	11,953,432
Investments	8 27,919,140	32,468,766	31,829,375
Security Deposits	223,560	223,560	223,560
	43,026,451	44,431,061	44,006,367
Current Assets			
Stock-in-trade	9 3,903,835	-	-
Trade Debts	461,491	-	-
Loans and Advances	561,206	542,238	542,238
Short term prepayments	67,441	-	-
Other Receivables	3,362,582	2,942,461	2,942,461
Cash and Bank Balances	1,331,608	1,620,419	1,620,419
	9,688,163	5,105,118	5,105,118
	52,714,614	49,536,179	49,111,485

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 THE PERIOD ENDED DECEMBER 31, 2022 (UN-AUDITED)

Notes	Half Year Ended		Quarter Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees	Rupees	Rupees	Rupees
Sales - net	5,983,549	-	3,139,146	-
Cost of Sales	(4,864,602)	-	(2,745,925)	-
Gross Profit	1,118,947	-	393,221	-
Administrative Expenses	(236,852)	(2,563,240)	(57,852)	(2,008,685)
Other Operating Income/(Expenses)	(31,352)	53	148	24
	(268,204)	(2,563,187)	(57,704)	(2,008,661)
Operating Profit/(Loss)	850,743	(2,563,187)	335,517	(2,008,661)
Finance Cost	(4,877,996)	(2,899,574)	(3,809,911)	(1,459,114)
	(4,027,253)	(5,462,761)	(3,474,394)	(3,467,776)
Reversal of impairment/(Impairment) on long term investment in associated company	(8,332,567)	-	(8,332,567)	-
	(12,359,820)	(5,462,761)	(11,806,961)	(3,467,776)
Share of Profit / (Loss) of Associated Company	3,937,639	4,670,137	(3,673,981)	388,598
Profit / (Loss) before Taxation	(8,422,181)	(792,624)	(15,480,942)	(3,079,178)
Taxation				
-Current	(74,794)	-	(39,239)	-
-Share of Tax of Associated Company	(457,271)	385,497	(2,229,100)	(630,003)
	(532,065)	385,497	(2,268,339)	(630,003)
Profit / (Loss) after Taxation	(8,954,246)	(407,127)	(17,749,281)	(3,709,181)
Earnings per share	(0.75)	(0.03)	(1.48)	(0.31)

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 THE PERIOD ENDED DECEMBER 31, 2022 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees	Rupees	Rupees	Rupees
PROFIT / (LOSS) FOR THE PERIOD	(8,954,246)	(407,127)	(17,749,281)	(3,709,181)
OTHER COMPREHENSIVE INCOME				
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	(935,468)	934,546	3,968,803	(1,138,712)
Unrealized gain arising on remeasurement of available for sale investments	2,214	(7,976)	2,605	(5,917)
Other Comprehensive income for the period	(933,253)	926,570	3,971,409	(1,144,629)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(9,887,499)	519,443	(13,777,872)	(4,853,810)

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 THE PERIOD ENDED DECEMBER 31, 2022 (UN-AUDITED)

	Half Year Ended	
	December 31, 2022	December 31, 2021
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	(8,422,181)	(792,624)
Adjustments for :		
Depreciation	309,517	332,920
Impairment/(Reversal) of impairment on long term investment	8,332,567	-
Share of profit / (loss) of associated company	(3,937,639)	(4,670,137)
Interest income	31,352	(53)
Finance cost	4,877,996	2,899,574
	9,613,793	(1,437,696)
Operating Profit before Working Capital Changes	1,191,612	(2,230,320)
Changes in Working Capital		
(Increase) / Decrease in Current Assets		
Stock-in-trade	(3,903,835)	-
Trade debts	(461,491)	-
Loans and Advances	-	(26,895)
Short term prepayments	(67,441)	-
Other Receivables	(420,121)	(203,938)
	(4,852,888)	(230,833)
Increase / (Decrease) in Current Liabilities		
Trade and Other Payables	8,110,185	82,042
Changes in Working Capital	3,257,297	(148,791)
Cash Generated from / (used in) Operations	4,448,909	(2,379,111)
Taxes paid	(18,968)	-
Finance Cost Paid	(150)	(1,015)
Net Cash Generated from / (Used in) Operating Activities	4,429,791	(2,380,126)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Generated from Investing Activities	-	-
Net Cash Flows Before Financing Activities	4,429,791	(2,380,126)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short Term Borrowings	(4,687,250)	3,403,013
Interest Income	(31,352)	53
Net Cash Flows From Financing Activities	(4,718,602)	3,403,066
Net Increase / (Decrease) in Cash & Cash Equivalents	(288,811)	1,022,940
Cash & Cash Equivalents at the Beginning	1,620,419	572,197
Cash & Cash Equivalents at the End	1,331,608	1,595,137

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 THE PERIOD ENDED DECEMBER 31, 2022 (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					
----- (Rupees) -----								
Balance as at 01 July 2021	120,000,000	22,024	(165,949,679)	6,119,680	(159,807,975)	(39,807,975)		
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	-	141,014	(141,014)	-	-		
Effect of items directly credited in equity by the associated companies	-	-	(653,363)	-	(653,363)	(653,363)		
Profit for the period	-	-	(407,127)	(407,127)	(407,127)	(407,127)		(407,127)
Other comprehensive income for the period	-	(7,976)	934,546		926,570	926,570		926,570
Total comprehensive income for the period	-	(7,976)	527,419		519,443	519,443		519,443
Balance as at 31 December 2021	120,000,000	14,048	(165,934,610)	5,978,667	(159,941,896)	(39,941,896)		
Balance as at 01 July 2022	120,000,000	12,495	(176,533,722)	5,837,653	(170,683,575)	(50,683,575)		
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	-	173,780	(173,780)	-	-		
Revaluation surplus arising during the period	-	-	-	3,454,532	3,454,532	3,454,532		3,454,532
Effect of items directly credited in equity by the associated companies	-	-	1,235,826	-	1,235,826	1,235,826		
Profit for the period	-	-	(8,954,246)	-	(8,954,246)	(8,954,246)		(8,954,246)
Other comprehensive income for the period	-	2,214	(935,468)	-	(933,253)	(933,253)		(933,253)
Total comprehensive loss for the period	-	2,214	(9,889,714)	-	(9,887,499)	(9,887,499)		(9,887,499)
Balance as at 31 December 2022	120,000,000	14,709	(185,013,830)	9,118,405	(175,880,716)	(55,880,716)		

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

Chief Executive

Chief Financial Officer

Director



SHAFFI CHEMICAL INDUSTRIES LIMITED

FOR THE PERIOD ENDED DECEMBER 31, 2022 (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	
December 31, 2022	June 30, 2022
12,000,000	12,000,000
12,000,000	12,000,000

Cash

Un-Audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
120,000,000	120,000,000
120,000,000	120,000,000

5 DEFERRED INCOME TAX

Accelerated tax depreciation allowance
Effect of accumulated tax losses

Non-recognition of deferred tax asset

Dec - 2022		
Balance at the beginning of the period	Recognized in profit & loss account	Balance at the end of the period
844,315	853,046	(8,731)
(12,362,521)	(1,812,477)	(10,550,044)
(11,518,206)	(959,430)	(10,558,776)
5.1 11,518,206	959,430	10,558,776
-	-	-



SHAFFI CHEMICAL INDUSTRIES LIMITED

5.1 Deferred tax asset of Rs. 10.559 million (2022: 11.518 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.

7 PROPERTY, PLANT AND EQUIPMENT

Book value at the beginning of the period

Revaluation arising during the period

Less: Depreciation charged during the period

Un-Audited December 2022 Rupees	Audited June 2022 Rupees
11,738,736	12,404,575
3,454,532	-
7.1 (309,517)	(665,839)
14,883,751	11,738,736

7.1 Allocation of Depreciation

Administrative Expenses

309,517	665,839
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8 INVESTMENTS

Long term investment in associated company under equity method

Long term investment available for sale

8.1 27,894,245	32,446,085
24,896	22,681
27,919,140	32,468,766

8.1 Long term investment in associated company under equity method

Long term investment in associated company under equity method

Less: Impairment loss

At the beginning of the period

Impairment loss charged during the period

Reversal of impairment loss during the period

At the end of the period

(10,986,154)	-
(8,332,567)	(10,986,154)
-	-
(8,332,567)	(10,986,154)
(19,318,720)	(10,986,154)
27,894,245	32,446,085

9 STOCK-IN-TRADE

Finished goods

3,903,835	-
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10 COST OF SALES

Cost of goods manufactured

Opening finished goods

Closing finished goods

Un-Audited Half Year Ended December 31, 2022 Rupees	Un-Audited December 31, 2021 Rupees	Un-Audited Quarter Ended December 31, 2022 Rupees	Un-Audited December 31, 2021 Rupees
8,768,437	-	4,837,450	-
-	-	-	-
8,768,437	-	4,837,450	-
(3,903,835)	-	(2,091,525)	-
4,864,602	-	2,745,925	-



SHAFFI CHEMICAL INDUSTRIES LIMITED

11 EARNINGS PER SHARE

Profit / (loss) after taxation	(8,954,246)	(407,127)	(17,749,281)	(3,709,181)
	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, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees	Rupees	Rupees	Rupees
Earnings per share	(0.75)	(0.03)	(1.48)	(0.31)

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:

	Un-Audited December 31, 2022	Audited June 30, 2022
	Rupees in Millions	
Loan from related party		
Capital Industrial Enterprises (Private) Limited	(44.018)	(48.706)
Mark-up on loan from related party		
Capital Industrial Enterprises (Private) Limited	4.88	5.45
Purchases from related party		
Diamond Products (Private) Limited	6.772	-

13 Figures have been rounded off to the nearest rupee.

14 These condensed set of interim financial information was authorised for issue on **February 23, 2023** by the board of directors of the Company.

Chief Executive

Chief Financial Officer

Director

