

# **SHAFFI CHEMICAL**

## **Industries Limited**

**HALF YEARLY REPORT**  
**31 December, 2023**



## **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 Limited** I am pleased to place before you the unaudited half yearly financial statements of the company for the quarter ended December, 31, 2023.

### 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. 10.051 million from furniture business and earned operating profit of Rs. 1.592 million as against of Rs. 1.118 million of the preceding period ended December 31, 2022 whereas after adjustment of finance Cost of Rs. (5.377) million and share of Profit/(loss) from associated company of Rs. (3.405) million, Net Profit/(Loss) after tax arrived at Rs. (7.032) million as compare to Rs. (8.954) million of the corresponding period ended December 31, 2022. 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, 2023 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. (0.59) as compared to Rs. (0.75) in the corresponding half year ended December 31, 2022.

### 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

IFTIKHAR SHAFFI  
Chief Executive  
Lahore: 27<sup>th</sup> February, 2024

IMRAN KABIR  
Director



## SHAFFI CHEMICAL INDUSTRIES LIMITED

### ڈائریکٹرز کی رپورٹ

پیارے شیئر ہولڈرز،

شفیع کیمیکل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے مجھے آپ کے سامنے 31 دسمبر 2023 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے غیر آڈٹ شدہ ششماہی مالیاتی گوشواروں کو 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 1.11.5 (e) کی 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 ڈیفالٹ طبقہ 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 کاؤنٹرز میں اثنا، کمپنی کی کاروباری سرگرمیوں کی معطلی کی بنیاد پر، کمپنیز کے ڈپٹی رجسٹرار پشاور کی طرف سے دائر کی گئی پٹیشن کو وائن 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 فرنیچر کا کاروبار اس امید کے ساتھ شروع کیا ہے کہ اگر فرنیچر مارکیٹ نے اسے سراہا تو مستقبل میں بھی فرنیچر کے کاروبار کو وسعت ملتی رہے گی اور ورکنگ کپینٹل 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۔

اس کے مطابق، زیر جائزہ پچھلے چھ ماہ کی مدت کے دوران، کمپنی نے محفوظ سیل ریونیو Rs. فرنیچر کے کاروبار سے 051.10 ملین اور روپے کا آپریٹنگ منافع کمایا۔ 592.1 ملین روپے کے مقابلے میں 31 دسمبر 2022 کو ختم ہونے والی سابقہ مدت کے 118.1 ملین جبکہ فنانس کی ایڈجسٹمنٹ کے بعد لاگت Rs. (377.5) ملین اور منسلک کمپنی سے منافع/ (نقصان) کا حصہ Rs. (405.3) ملین، ٹیکس کے بعد خالص منافع/ (نقصان) روپے تک پہنچ گئے۔ (032.7) ملین روپے کے مقابلے میں 31 دسمبر 2022 کو ختم ہونے والی اسی مدت کے (954.8) ملین۔ فرسٹ کیپیٹل ABN AMRO ایکویٹیز (پاکستان) لمیٹڈ، لاہور سٹاک ایکسچینج اور دیگر سے 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 2023 کو ہنگامی حالات اور وعدے کے

عنوان



## SHAFFI CHEMICAL INDUSTRIES LIMITED

مستقبل کا نقطہ نظر:

چونکہ کمپنی نے الائیڈ بیٹیک 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 میں 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 نمٹنے کے لیے فیکٹری کے احاطے میں فرنیچر کا نیا کاروبار شروع کیا ہے۔ اس کے اقلیتی شیئرز ہولڈرز کی دولت اور اگر ممکن ہو تو، انتظامیہ اس فرنیچر کے کاروبار کو بڑھانے کے لیے ضروری اقدامات کرے گی اور مطلوبہ کاروباری آپریشنز کے لیے، کمپنی کے ورکنگ کپٹل میں موجودہ حصص یافتگان کو مقررہ وقت میں رائٹ شیئرز جاری کر کے بڑھایا جائے گا۔ مستقبل میں وقت دریں اثناء کمپنی نے PSX سے کمپنی کا نام ڈیفالٹرز کے حصے سے ہٹانے کی درخواست کی ہے، تاکہ 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 روپے ہے۔ (59.0) روپے کے مقابلے میں (75.0) 31 دسمبر 2022 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

افتخار شفیق

چیف ایگزیکٹو

لاہور: 27 فروری، 2024

عمران کبیر

ڈائریکٹر



## **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, 2023 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, 2023 and 2022 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, 2023.

#### **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, 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, 2023 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, 2023. 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 28, 2024**  
**UDIN: RR202310189gcZkLBA0U**



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## SHAFFI CHEMICAL INDUSTRIES LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023 (UN-AUDITED)

	Note	December 31, 2023	June 30, 2023 (Audited)	
		Book Value	Book Value	Estimated
				Realizable/ Settlement Value
<b>Authorized Capital</b>				
12,000,000 (2023: 12,000,000) Ordinary shares of Rs. 10/- each		120,000,000	120,000,000	120,000,000
<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	4	120,000,000	120,000,000	120,000,000
Surplus on Revaluation of Property, Plant and Equipments		8,638,596	8,838,189	-
Fair Value Reserve		38,557	15,916	15,916
Accumulated Losses		(181,855,425)	(176,018,703)	(176,018,703)
Share Holders' Equity		(53,178,272)	(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		33,491,574	33,491,574	33,491,574
Payable to Associated Company		33,639,252	43,919,925	43,919,925
Accrued and Other Payables		10,894,031	3,264,841	3,264,841
Accrued Markup		29,441,875	24,064,632	24,064,632
Provision for Taxation		125,644	235,212	235,212
		107,592,376	104,976,184	104,976,184
Contingencies and Commitments	6	-	-	-
		54,414,104	57,811,586	63,119,865
<b>Non-current Assets</b>				
Property, Plant and Equipment	7	14,008,839	14,373,185	14,366,584
Investments	8	35,238,134	36,385,183	41,402,446
Security Deposits		223,560	223,560	223,560
		49,470,533	50,981,927	55,992,590
<b>Current Assets</b>				
Stock-in-trade	9	718,809	789,433	1,087,049
Trade Debts		1,368,291	2,315,371	2,315,371
Loans and Advances		437,588	645,614	645,614
Other Receivables		1,583,922	1,849,847	1,849,847
Cash and Bank Balances		834,962	1,229,394	1,229,394
		4,943,572	6,829,659	7,127,275
		54,414,104	57,811,586	63,119,865

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

  
Chief Executive

  
Chief Financial Officer

  
Director





# SHAFFI CHEMICAL INDUSTRIES LIMITED

## SHAFFI CHEMICAL INDUSTRIES LIMITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)

Notes	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rupees	Rupees	Rupees	Rupees
Sales - net	10,051,519	5,983,549	5,540,756	3,139,146
Cost of Sales	(8,459,157)	(4,864,602)	(4,972,229)	(2,745,925)
Gross Profit	1,592,362	1,118,947	568,527	393,221
Administrative Expenses	(956,099)	(236,852)	(644,326)	(57,852)
Other Operating Income/(Expenses)	-	(31,352)	-	148
	(956,099)	(268,204)	(644,326)	(57,704)
Operating Profit/(Loss)	636,263	850,743	(75,799)	335,517
Finance Cost	(5,377,243)	(4,877,996)	(2,650,084)	(3,809,911)
	(4,740,980)	(4,027,253)	(2,725,883)	(3,474,394)
Reversal of impairment/(Impairment) on long term investment in associated company	-	(8,332,567)	-	(8,332,567)
	(4,740,980)	(12,359,820)	(2,725,883)	(11,806,961)
Share of Profit / (Loss) of Associated Company	(3,405,866)	3,937,639	(3,405,866)	(3,673,981)
Profit / (Loss) before Taxation	(8,146,846)	(8,422,181)	(6,131,749)	(15,480,942)
Taxation				
-Current	(125,644)	(74,794)	(125,644)	(39,239)
-Share of Tax of Associated Company	1,239,955	(457,271)	1,239,955	(2,229,100)
	1,114,311	(532,065)	1,114,311	(2,268,339)
Profit / (Loss) after Taxation	(7,032,535)	(8,954,246)	(5,017,438)	(17,749,281)
Earnings per share	11 (0.59)	(0.75)	(0.42)	(1.48)

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

  
Chief Executive

  
Chief Financial Officer

  
Director



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## SHAFFI CHEMICAL INDUSTRIES LIMITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rupees	Rupees	Rupees	Rupees
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	- 7,032,535	(8,954,246)	(5,017,438)	(17,749,281)
<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	365,299	(935,468)	365,299	3,968,803
Unrealized gain arising on remeasurement of available for sale investments	22,641	2,214	22,641	2,605
Other Comprehensive income for the period	387,941	(933,254)	387,941	3,971,408
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(6,644,594)</b>	<b>(9,887,500)</b>	<b>(4,629,497)</b>	<b>(13,777,873)</b>

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

Chief Executive

Chief Financial Officer

Director



# SHAFFI CHEMICAL INDUSTRIES LIMITED

SHAFFI CHEMICAL INDUSTRIES LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED DECEMBER 31, 2023 (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	Fair Value Reserve	(Accumulated Loss) / Unappropriated Profit			
<b>Balance as at 01 July 2022</b>	12,495	(176,533,722)	5,837,653	(170,683,574)		(50,683,574)	
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	173,700	(173,700)	-		-	
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	-	1,235,826	-	1,235,826		1,235,826	
Profit for the period	-	(8,954,246)	-	(8,954,246)		(8,954,246)	
Other comprehensive income for the period	2,214	(935,468)	-	(933,254)		(933,254)	
Total comprehensive loss for the period	2,214	(9,889,714)	-	(9,887,500)		(9,887,500)	
<b>Balance as at 31 December 2022</b>	<b>14,709</b>	<b>(185,013,910)</b>	<b>9,118,485</b>	<b>(175,880,716)</b>		<b>(55,880,716)</b>	
<b>Balance as at 01 July 2023</b>	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	-	630,921	-	630,921		630,921	
Profit for the period	-	(7,032,535)	-	(7,032,535)		(7,032,535)	
Other comprehensive income for the period	22,641	365,299	-	387,941		387,941	
Total comprehensive loss for the period	22,641	(6,667,236)	-	(6,644,594)		(6,644,594)	
<b>Balance as at 31 December 2023</b>	<b>38,557</b>	<b>(181,855,425)</b>	<b>8,638,596</b>	<b>(173,176,272)</b>		<b>(53,178,272)</b>	

(Rupees)

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

Chief Executive

Chief Financial Officer

Director




# SHAFFI CHEMICAL INDUSTRIES LIMITED

## SHAFFI CHEMICAL INDUSTRIES LIMITED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Half Year Ended	
	December 31, 2023	December 31, 2022
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation	(8,146,846)	(8,422,181)
<b>Adjustments for :</b>		
Depreciation	364,346	309,517
Impairment/(Reversal) of impairment on long term investment	-	8,332,567
Share of profit / (loss) of associated company	3,405,866	(3,937,639)
Interest income	-	31,352
Finance cost	5,377,243	4,877,996
	9,147,455	9,613,793
<b>Operating Profit before Working Capital Changes</b>	<b>1,000,609</b>	<b>1,191,612</b>
<b>Changes in Working Capital</b>		
<b>(Increase) / Decrease in Current Assets</b>		
Stock-in-trade	70,624	(3,903,835)
Trade debts	947,080	(461,491)
Loans and Advances	(310)	-
Short term prepayments	-	(67,441)
Other Receivables	265,925	(420,121)
	1,283,319	(4,852,888)
<b>Increase / (Decrease) in Current Liabilities</b>		
Trade and Other Payables	7,629,190	8,110,185
<b>Changes in Working Capital</b>	<b>8,912,509</b>	<b>3,257,297</b>
<b>Cash Generated from / (used in) Operations</b>	<b>9,913,118</b>	<b>4,448,909</b>
Taxes paid	(26,876)	(18,968)
Finance Cost Paid	-	(150)
<b>Net Cash Generated from / (Used in) Operating Activities</b>	<b>9,886,241</b>	<b>4,429,791</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>9,886,241</b>	<b>4,429,791</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings	(10,280,673)	(4,687,250)
Interest Income	-	(31,352)
<b>Net Cash Flows From Financing Activities</b>	<b>(10,280,673)</b>	<b>(4,718,602)</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	(394,432)	(288,811)
<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>834,962</b>	<b>1,331,608</b>

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

  
Chief Executive

  
Chief Financial Officer

  
Director



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## SHAFFI CHEMICAL INDUSTRIES LIMITED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION FOR THE PERIOD ENDED DECEMBER 31, 2023 (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. 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, 2023	June 30, 2023	
12,000,000	12,000,000	Cash
12,000,000	12,000,000	

Un-Audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
120,000,000	120,000,000
120,000,000	120,000,000

### 5 DEFERRED INCOME TAX

	Dec - 2023		
	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	(54,329)	2,594,358
Effect of accumulated tax losses	(10,550,044)	-	(10,550,044)
	(8,010,015)	(54,329)	(7,955,686)
Non-recognition of deferred tax asset	8,010,015	54,329	7,955,686
	-	-	-



## SHAFFI CHEMICAL INDUSTRIES LIMITED

5.1 Deferred tax asset of Rs. 7.956 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	<u>(364,346)</u>	<u>(665,839)</u>
		<u>11,374,390</u>	<u>11,738,736</u>
<b>7.1 Allocation of Depreciation</b>			
Administrative Expenses		<u>364,346</u>	<u>665,839</u>
<b>8 INVESTMENTS</b>			
Long term investment in associated company under equity method	8.1	35,189,390	36,359,081
Long term investment available for sale		<u>48,744</u>	<u>26,102</u>
		<u>35,238,134</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		35,189,390	36,359,081
Less: Impairment loss			
At the beginning of the period		10,986,154	-
Impairment loss charged during the period		-	10,986,154
Reversal of impairment loss during the period		-	-
		-	10,986,154
At the end of the period		<u>10,986,154</u>	<u>10,986,154</u>
		<u>46,175,544</u>	<u>47,345,234</u>
<b>9 STOCK-IN-TRADE</b>			
Finished goods		<u>718,809</u>	<u>789,433</u>

	Un-Audited Half Year Ended December 31, 2023 Rupees	Un-Audited December 31, 2022 Rupees	Un-Audited Quarter Ended December 31, 2023 Rupees	Un-Audited December 31, 2022 Rupees
<b>10 COST OF SALES</b>				
Cost of goods manufactured	8,388,533	8,768,437	3,922,974	12,512,613
Opening finished goods	<u>789,433</u>	-	<u>789,433</u>	-
	<u>9,177,966</u>	8,768,437	<u>4,712,407</u>	12,512,613
Closing finished goods	<u>(718,809)</u>	3,903,835	<u>(529,611)</u>	789,433
	<u>8,459,157</u>	4,864,602.0	<u>4,972,229</u>	11,723,180.0



## SHAFFI CHEMICAL INDUSTRIES LIMITED

### 11 EARNINGS PER SHARE

Profit / (loss) after taxation	<u>(7,032,535)</u>	<u>(8,954,246)</u>	<u>(5,017,438)</u>	<u>(17,749,281)</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>Half Year Ended</b>		<b>Quarter Ended</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Earnings per share	<u>(0.59)</u>	<u>(0.75)</u>	<u>(0.42)</u>	<u>(1.48)</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:

	<b>Un-Audited December 31, 2023</b>	<b>Audited June 30, 2023</b>
	<b>Rupees in Millions</b>	
<b>Loan from related party</b>		
Capital Industrial Enterprises (Private) Limited	(33.139)	(43.920)
<b>Mark-up on loan from related party</b>		
Capital Industrial Enterprises (Private) Limited	5.38	9.25
<b>Purchases from related party</b>		
Diamond Products (Private) Limited	6.615	-

13 Figures have been rounded off to the nearest rupee.

14 These condensed set of interim financial information was authorised for issue on **February 27, 2024** by the board of directors of the Company.

**Chief Executive**

**Chief Financial Officer**

**Director**