



## **SHAFFI CHEMICAL INDUSTRIES LIMITED**

Corporate Profile .....	1
Directors' Report .....	2
ڈائریکٹرز رپورٹ .....	3
Review Report to the Members .....	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 Saleem 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) 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

### 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 TABASSUM & 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@yahoo.com

### BANKERS

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

### 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 half year ended December, 31, 2021.

### **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. (0.407) million comparing to Rs. (2.146) million of the corresponding quarter ended 31/12/2020. The reason for decrease in loss for the half year is due to the share of Profit / (Loss) of associated company. 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 our company and are explained in the latest annual financial statements for the P.E. June 30, 2021 under the title "Contingencies and Commitments".

Meanwhile the company has settled all its liabilities towards Allied Bank Limited whereas on the basis of suspension of company's business activities, petition for winding up the company filed with Hon'ble High Court Peshawar by deputy registrar of companies Peshawar, is being contested vigorously by the company. However the management intends for revival of business activities by venturing in new business of furniture in near future.

### **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. As already discussed above, the company has so far taken serious steps for revival of business activities and initially the company has requested to PSX to remove company name from defaulters' segment, so that future furniture business plan can be executed in future.

### **EARNING PER SHARE:**

The earnings per share of the company for the half year under review is Rs. (0.03) as compared to Rs. (0.18) in the corresponding half year ended 31<sup>st</sup> December, 2020.

### **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:- 24th February, 2022



## SHAFFI CHEMICAL INDUSTRIES LIMITED

### ڈائریکٹر رپورٹ

شفیع کیمیکلز انڈسٹریز کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2021 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 2020 کے نقصان (2.146) ملین کے مقابلے میں موجودہ نقصان (0.407) ملین روپے ہوا۔ نقصان میں یہ کمی ایسوسی ایٹڈ کمپنی کے منافع میں سے حصے کی وجہ سے ہوا۔ قانونی معاملات جو کہ فرسٹ ABN AMRO ایکویٹی اور سٹاک ایکسچینج اور دوسرے معاملات کو جو کہ 30 جون 2021 کی فنانشل رپورٹ میں درج کئے گئے ہیں کمپنی کی طرف سے متواتر حل کرنے کی کوشش کی جا رہی ہے۔

کمپنی نے الائیڈ بینک کی طرف اپنی تمام ذمہ داریاں ادا کر دی ہیں جبکہ کمپنی کی کاروباری سرگرمیوں کی معطلی کی بنیاد پر، معزز ہائی کورٹ پشاور کے ساتھ ڈپٹی رجسٹرار آف کمپنیز پشاور نے کمپنی کو سمیٹنے کی درخواست دائر کی ہے۔ اس کا کمپنی کی طرف سے بھرپور طریقے سے مقابلہ کیا جا رہا ہے تاہم انتظامیہ کاروباری سرگرمیوں کی بحالی کا ارادہ رکھتی ہے اور مستقبل قریب میں فرنچیز کا نیا کاروبار شروع کرنا چاہتی ہے۔

مستقبل کے نقطہ نظر:

جیسا کہ کمپنی نے الائیڈ بینک کے ساتھ تمام تنازعات طے کر لئے ہیں اور قانونی چارہ جوئی بھی خوش اصولوں سے طے پا گئی ہے۔ تاہم موجودہ اقتصادیات کو مد نظر رکھتے ہوئے، ملک میں موجودہ صورتحال اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں تیزی سے کمی کی وجہ سے اپنی بنیادی کاروباری سرگرمیوں کو دوبارہ شروع کرنا ممکن نہیں۔ جیسا کہ پہلے زیر بحث آیا ہے کہ کمپنی نے کاروباری سرگرمیوں کی بحالی کیلئے سنجیدگی سے کام لیا ہے اور ابتدائی طور پر کمپنی نے PSX سے کمپنی نام کو نادر ہندگان کے طبقے سے ہٹانے کی درخواست کی ہے۔ تاکہ مستقبل میں فرنچیز کے کاروباری منصوبے پر عمل درآمد کیا جاسکے۔


فی حصص آمدنی:

جائزہ کے تحت مدت کیلئے کمپنی کا فی حصہ آمدنی (0.03) ہے۔ جو کہ گزشتہ ششماہی میں 31 دسمبر 2020 کو (0.18) رہا۔

اعتراف:

ڈائریکٹر بورڈ نے اسٹاف، کارکنوں اور دیگر تمام حصول داروں کو اپنی کارکردگی کی اطلاع کے درجے کو حاصل کرنے میں ان کی مسلسل حمایت کے لئے اپنی تعریف کا اظہار کیا۔

  
افتخار شفیع  
چیف ایگزیکٹو

  
عمران کبیر  
ڈائریکٹر

لاہور

تاریخ: 24 فروری 2022



# **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, 2021 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, 2021 and 2020 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, 2021.

### **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, 2021 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.

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

**Place:** Lahore  
**Date:** February 25, 2022  
**UDIN:** RR2021101899IPcbE2R7



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## CONDENSED INTERIM FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	December 31, 2021		June 30, 2021 (Audited)	
		Book Value	Estimated Realizable/Settlement Value	Book Value	Estimated Realizable/Settlement Value
<b>ASSETS</b>					
Cash and Bank Balances		1,595,137	1,595,137	572,196	572,196
Loans and Advances		704,493	704,487	677,598	677,598
Other Receivables		2,859,832	2,859,832	2,655,894	2,655,894
Security Deposits		223,560	223,560	223,560	223,560
Investments	5	38,770,721	19,961	33,441,879	32,210
Property, Plant and Equipment	6	12,071,654	7,846,700	12,404,574	7,846,700
<b>TOTAL ASSETS</b>		<b>56,225,396</b>	<b>13,249,683</b>	<b>49,975,701</b>	<b>12,008,157</b>
<b>LIABILITIES</b>					
Accrued and Other Payables		3,067,915	3,067,915	2,985,873	2,985,873
Accrued Markup		12,259,439	12,259,438	9,360,879	9,360,879
Payable to Director & Sponsors		33,491,574	33,491,574	33,491,574	33,491,574
Payable to associated company		47,348,363	47,348,363	43,945,350	43,945,350
Deferred liabilities		-	-	-	-
Provision for taxation	7	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>96,167,291</b>	<b>96,167,290</b>	<b>89,783,676</b>	<b>89,783,676</b>
<b>NET ASSETS</b>		<b>(39,941,895)</b>	<b>(82,917,608)</b>	<b>(39,807,975)</b>	<b>(77,775,519)</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		14,048	-	22,024	22,024
Accumulated Losses		(165,934,610)	(165,934,610)	(165,949,679)	(165,949,679)
Share Holders' Equity		(45,920,562)	(45,934,610)	(45,927,655)	(45,927,655)
Surplus on Revaluation of Property, Plant and Equipments		5,978,667	-	6,119,680	-
Net Surplus on Estimated Realizable/Settlement Value		-	(36,982,998)	-	(31,847,863)
Contingencies & Commitments	9	-	-	-	-
		<b>(39,941,895)</b>	<b>(82,917,608)</b>	<b>(39,807,975)</b>	<b>(77,775,519)</b>

The annexed notes 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 Period Ended December 31, 2021 (un-audited)

Notes	Half Year Ended (UnAudited)		Quarter Ended (UnAudited)	
	December 31, 2021 Rupees	December 31, 2020 Rupees	December 31, 2021 Rupees	December 31, 2020 Rupees
Sales - net	-	-	-	-
Cost of Sales	-	-	-	-
Gross Profit	-	-	-	-
Administrative Expenses	(2,563,240)	(1,218,071)	(2,008,685)	(628,358)
Other Operating Income/(Expenses)	53	(31,443)	24	(31,472)
	(2,563,187)	(1,249,514)	(2,008,661)	(659,830)
Operating Profit/(Loss)	(2,563,187)	(1,249,514)	(2,008,661)	(659,830)
Finance Cost	(2,899,574)	(2,315,971)	(1,459,114)	(1,184,783)
	(5,462,761)	(3,565,485)	(3,467,776)	(1,844,613)
Share of Profit / (Loss) of Associated Company	4,670,137	2,229,328	388,598	195,309
Profit / (Loss) before Taxation	(792,624)	(1,336,157)	(3,079,178)	(1,649,304)
Taxation				
-Current	-	-	-	-
-Share of Tax of Associated Company	385,497	(810,271)	(630,003)	(508,287)
			(630,003)	(508,287)
Profit / (Loss) after Taxation	(407,127)	(2,146,428)	(3,709,181)	(2,157,591)
Earnings per share	10 (0.03)	(0.18)	(0.31)	(0.18)

The annexed notes 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 PERIOD ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees	Rupees	Rupees	Rupees
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	(407,127)	(2,146,428)	(3,709,181)	(2,157,663)
<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	934,546	2,606,987	934,546	1,619,921
Unrealized gain arising on remeasurement of available for sale investments	(7,976)	(6,749)	(7,976)	(1,488)
Other Comprehensive income for the period	926,570	2,600,238	926,570	1,618,433
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>519,443</b>	<b>453,810</b>	<b>(2,782,610)</b>	<b>(539,230)</b>

The annexed notes 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 Period Ended December 31, 2021 (un-audited)

	Half Year Ended	
	December 31, 2021	December 31, 2020
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation	(792,624)	(1,336,157)
<b>Adjustments for :</b>		
Depreciation	332,920	361,297
Share of profit / (loss) of associated company	(4,670,137)	(2,229,328)
Interest income	(53)	(57)
Finance cost	2,899,574	2,315,971
	<u>(1,437,696)</u>	<u>447,883</u>
<b>Operating Loss before Working Capital Changes</b>	<b>(2,230,320)</b>	<b>(888,247)</b>
<b>Changes in Working Capital</b>		
<b>(Increase) / Decrease in Current Assets</b>		
Loans and Advances	(26,895)	-
Other Receivables	(203,938)	(174,607)
	<u>(230,833)</u>	<u>(174,607)</u>
<b>Increase / (Decrease) in Current Liabilities</b>		
Trade and Other Payables	82,042	157,507
<b>Changes in Working Capital</b>	<b>(148,791)</b>	<b>(17,100)</b>
<b>Cash Generated from / (used in) Operations</b>	<b>(2,379,111)</b>	<b>(905,374)</b>
Taxes paid	-	(18,284)
Finance Cost Paid	(1,015)	(1,500)
<b>Net Cash Generated from / (Used in) Operating Activities</b>	<b>(2,380,126)</b>	<b>(925,158)</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>(2,380,126)</b>	<b>(925,158)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings	3,403,013	896,819
Interest Income	53	57
<b>Net Cash Flows From Financing Activities</b>	<b>3,403,066</b>	<b>896,876</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	1,022,940	(28,282)
<b>Cash &amp; Cash Equivalents at the Beginning</b>	<b>572,197</b>	<b>442,974</b>
<b>Cash &amp; Cash Equivalents at the End</b>	<b>1,595,137</b>	<b>414,692</b>

The annexed notes 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 Period Ended December 31, 2021 (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	(Accumulated Loss) / Unappropriated Profit				
<b>Balance as at 01 July 2020</b>	120,000,000	26,015	(165,678,080)	6,424,275	(159,227,800)	(39,227,800)	
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	-	152,298	(152,298)	-	-	
Effect of items directly credited in equity by the associated companies	-	-	1,339,312	-	1,339,312	1,339,312	
Profit for the period	-	-	(2,146,428)	-	(2,146,428)	(2,146,428)	
Other comprehensive income for the period	-	(6,749)	2,606,987	-	2,600,238	2,600,238	
Total comprehensive income for the period	-	(6,749)	460,559	-	453,810	453,810	
<b>Balance as at 31 December 2020</b>	<b>120,000,000</b>	<b>19,266</b>	<b>(163,725,921)</b>	<b>6,271,977</b>	<b>(157,434,678)</b>	<b>(37,434,678)</b>	
<b>Balance as at 01 July 2021</b>	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)	
Other comprehensive income for the period	-	(7,976)	934,546	-	926,570	926,570	
Total comprehensive loss for the period	-	(7,976)	527,419	-	519,443	519,443	
<b>Balance as at 31 December 2021</b>	<b>120,000,000</b>	<b>14,048</b>	<b>(165,934,610)</b>	<b>5,978,667</b>	<b>(159,941,896)</b>	<b>(39,941,896)</b>	

The annexed notes 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 Period Ended December 31, 2021 (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, 2021, the company reported gross loss of Rupees =Nil. The company has accumulated losses and shareholders' equity Rupees (165.935) Million and Rupees (45.921) Million respectively as on December 31, 2021. 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 2021 Rupees	Audited June 2021 Rupees
---------------------------------------	--------------------------------

5.1	38,746,485	33,409,668
	24,236	32,211
	<b>38,770,721</b>	<b>33,441,879</b>

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

Long term investment in associated company under equity method  
Less: Impairment loss

	38,746,485	33,409,668
	-	-
	<b>38,746,485</b>	<b>33,409,668</b>



# SHAFFI CHEMICAL INDUSTRIES LIMITED

## 6 PROPERTY, PLANT AND EQUIPMENT

	Un-Audited December 2021 Rupees	Audited June 2021 Rupees
Book value at the beginning of the period	12,404,574	13,127,168
Less: Depreciation charged during the period	6.1 (332,920)	(722,594)
	<b>12,071,654</b>	<b>12,404,574</b>

### 6.1 Allocation of Depreciation

Administrative Expenses	332,920	722,594
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## 7 DEFERRED INCOME TAX

	Dec - 2021		
	Balance at the beginning of the period	Recognized in profit & loss account	Balance at the end of the period
Accelerated tax depreciation allowance	1,055,676	(1,423,839)	(368,163)
Effect of accumulated tax losses	(4,270,074)	(3,393,629)	(7,663,703)
	(3,214,398)	(4,817,468)	(8,031,866)
Non-recognition of deferred tax asset	7.1 3,214,398	4,817,468	8,031,866
	-	-	-

7.1 Deferred tax asset of Rs. 8.032 million (2021: 3.214 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 Dec 31, 2021 Rupees	Audited June 30, 2021 Rupees
Dec 31, 2021	June 30, 2021		
12,000,000	12,000,000	120,000,000	120,000,000
<b>12,000,000</b>	<b>12,000,000</b>	<b>120,000,000</b>	<b>120,000,000</b>

## 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.

## 10 EARNINGS PER SHARE

	Un-Audited Half Year Ended December 31, 2021 Rupees	Un-Audited December 31, 2020 Rupees	Un-Audited Quarter Ended December 31, 2021 Rupees	Un-Audited December 31, 2020 Rupees
Profit / (loss) after taxation	(407,127)	(2,146,428)	(3,709,181)	(2,157,591)
	Number of shares		Number of shares	
Issued, Subscribed and Paid up Capital	12,000,000	12,000,000	12,000,000	12,000,000



# SHAFFI CHEMICAL INDUSTRIES LIMITED

	Half Year Ended		Quarter Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees	Rupees	Rupees	Rupees
Earnings per share	(0.03)	(0.18)	(0.31)	(0.18)

## 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	Audited
	December 31, 2021	June 30, 2021
	Rupees in Millions	
<b>Loan from related party</b>		
Capital Industrial Enterprises (Private) Limited	(47.348)	(43.945)
<b>Mark-up on loan from related party</b>		
Capital Industrial Enterprises (Private) Limited	(12.259)	(9.361)

12 Figures have been rounded off to the nearest rupee.

13 These condensed set of interim financial information was authorised for issue on February 24, 2022 by the board of directors of the Company.

Chief Executive

Chief Financial Officer

Director