

SHAFFI CHEMICAL INDUSTRIES LIMITED

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Ref: SCIL/CS/

Dated: 20-02-2017

The General Manager

Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road, Karachi.

SUBJECT:- APPLICATON FOR VOLUNTARY DE-LISTING AND BUY BACK OF
SHARES FROM MINORITY SHAREHOLDERS OF SHAFFI CHEMICAL
INDUSTRIES LIMITED.

Dear Sir,

In reference to subject matter, we hereby submit the formal application under relevant Regulations of Stock Exchange for Voluntary delisting and buy-back of shares from minority shareholders of Shaffi Chemical Industries Limited as under.

1. Applicable Fee

Application fee of Rs. 250,000/- for precessing of application for de-listing vide cheque No 3037224 dated 20-02-2017 Drawn on Silkbank Circular Road Branch, Lahore is enclosed herewith. Out of which Rs. 150,000/- is refundable by the Exchange on fulfillment of requirements of the voluntary delisting of the Company.

2. Reasons for De-Listing

The Company is not in a position to earn profit due to closure of its operations. The company's sales in Financial Year ended June 30, 2015 was Rs. 0.208 Million whereas the same at the close of last operational year ended June 30, 2014 was at Rs. 1.542 Million. Company's main products were Di-Octyle-Ortho Phthalates (DOP), Lith and Diltex Binder. In the past, the company had made plans to revive the industry but failed to bring the dead company alive because of non-encouraging policies of GOP and other factors.

At the onset it is admitted that the Company for the time being and since quite some time is not in a position to conduct its manufacturing activities for the following amongst other reasons which forced the company to become non-operational

Due to suspension of manufacturing activities of the company, SECP issued notice u/s 309(b) read with Section 305(c) of the Companies Ordinance, 1984 to windup the company whereas in the meeting of Board of Directors, matter was discussed in length and as the company and its directors are absolutely not at any fault for the inability to operate the company as a going concern and the sponsors and directors of the Company do not wish their innocent shareholders to suffer any further and for this reason, the management of the company has now decided for voluntary delisting of the Company from Pakistan Stock Exchange Limited and to buy back the shares from minority shareholders of the company at the price decided by the stock exchange.

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Amir Akbar
M. Valant

In addition to the above facts, followings are the reasons for which we are seeking delisting of shares of the company.

1. Increasing disclosure and reporting requirements for listed companies.
2. Heavy expenditure by way of fees and other charges payable to Stock Exchange.
3. Hefty expenditure on printing of annual accounts, half yearly accounts and quarterly accounts for furnishing to Stock Exchange and shareholders of the company.

3. **Price for buy-back of shares from minority shareholders**

The Board of Directors of the company have approved to buy back the shares of the company from minority shareholders/general public at the price of Rs. 2.18 per share subject to the approval by PSX.

Sincerely yours,
For SHAFFI CHEMICAL INDUSTRIES LIMITED


IFTIKHAR SHAFFI
Chief Executive



Encl:- As per PSX regulations