



SHAFFI CHEMICAL INDUSTRIES LIMITED

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SHAFFI CHEMICAL INDUSTRIES LIMITED

CORPORATE PROFILE

BOARD OF DIRECTORS

1.	Mr. Iftikhar Shaffi	Chief Executive	(Executive)
2.	Mr. Qaiser Sakeem Khan	Director	(Independent)
3.	Mr. Imran Kabir	Director	(Independent)
4.	Mr. Muhammad Sameer	Director	(Non-Executive)
5.	Mr. Abdul Shakoor	Director	(Non-Executive) Chairman of Board
6.	Mr. Hashim Aslam Butt	Director	(Non-Executive)
7.	Mr. Mohib Hussain	Director	(Non-Executive)

COMPANY SECRETARY

- Mr. Zahoor Ahmad

CHIEF FINANCIAL OFFICE

- Mr. Munawar Hussain

AUDIT COMMITTEE

1.	Mr. Imran Kabir	Chairman	(Independent Director)
2.	Mr. Muhammad Sameer	Member	(Non-Executive Director)
3.	Mr. Hashim Aslam Butt	Member	(Non-Executive Director)

HUMAN RESOURCE & REMUNERATION COMMITTEE

1.	Mr. Imran Kabir	Chairman	(Independent Director)
2.	Mr. Muhammad Sameer	Member	(Non-Executive Director)
3.	Mr. Hashim Aslam Butt	Member	(Non-Executive Director)

LEGAL ADVISOR

- A.K. Minhas Law Associates

AUDITORS

- HLB IJAZ TABASSUM & CO.
Office No. 1, 3rd 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

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: shaffichechemical@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 quarterly financial statements of the company for the quarter ended September, 30, 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 after taxation of Rs. 3.302 million comparing to Rs. 0.011 million of the corresponding quarter ended 30/09/2020. 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 has been filed with Hon'ble High Court Peshawar by deputy registrar of companies Peshawar, which is being contested vigorously by the company.

Now with the introduction of Prime Minister's "Naya Pakistan Housing Scheme" the country economics indicates a tremendous growth in Steel, Cement, bricks and furniture industry. Keeping in view the current demand of furniture business, the management intends to revive the business operations of the company by venturing in this furniture business in near future.

FUTURE OUTLOOK:

As the company has settled all the disputes with Allied Bank Limited and all the longstanding issues / 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 as already discussed above, the company has so far taken serious steps for revival of business activities by venturing in business of furniture in near future and initially the company is in process to remove company name from PSX defaulters' segment, so that future furniture business plan can be executed in near future.

EARNING PER SHARE:

The earnings per share of the company for the quarter under review is Rs. 0.28 as compared to Rs. 0.0008 in the corresponding quarter ended 30th September, 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:- 25th October, 2021



SHAFFI CHEMICAL INDUSTRIES LIMITED

ڈائریکٹرز رپورٹ

شافی کیمیکل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز، آپ کے سامنے 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے غیر آڈیٹ شدہ سہ ماہی مالیاتی بیانات پیش کرنے میں خوشی محسوس کر رہا ہے۔

کارروائیوں کا مختصر جائزہ

چونکہ کمپنی نے اپنی تمام صنعتی سرگرمیاں معطل کر دی ہیں، جس کے نتیجے میں اس پر کوئی فروخت اور مجموعی منافع نہیں ہے۔ تاہم کمپنی نے کچھ آپریٹنگ اخراجات کیے ہیں جس کے نتیجے میں ستمبر-2020 کو ختم ہونے والی اسی سہ ماہی کے 0.011 ملین روپے کے مقابلے میں ٹیکس لگانے کے بعد 3.302 ملین روپے کا منافع ہوا ہے۔

کمپنی نے الائیڈ بینک لمیٹڈ کی طرف اپنی تمام ذمہ داریاں طے کر دی ہیں جبکہ کمپنی کی کاروباری سرگرمیاں معطل کرنے کی بنیاد پر کمپنی کو سسٹم کی درخواست ڈپٹی رجسٹرار آف کمپنیز پشاور کی جانب سے معزز ہائی کورٹ پشاور میں دائر کی گئی ہے جس کا بھرپور مقابلہ کیا جا رہا ہے۔

اب وزیر اعظم کی "نیا پاکستان ہاؤسنگ اسکیم" کے متعارف ہونے سے ملکی معاشیات اسٹیل، سیمنٹ، اینٹوں اور فرنیچر کی صنعت میں زبردست ترقی کی نشاندہی کرتی ہے۔ فرنیچر کے کاروبار کی موجودہ مانگ کو مد نظر رکھتے ہوئے، اختتامیہ مستقبل قریب میں فرنیچر کے اس کاروبار میں قدم رکھ کر کمپنی کے کاروباری آپریشنز کو بحال کرنے کا ارادہ رکھتی ہے۔

مستقبل کا نظریہ

چونکہ کمپنی نے الائیڈ بینک لمیٹڈ کے ساتھ تمام تنازعات اور ABL کے ساتھ تمام دیرینہ مسائل/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 کو مد نظر رکھتے ہوئے، اس کی بنیادی کاروباری سرگرمیاں دوبارہ شروع کرنا ممکن نہیں ہے۔ تاہم جیسا کہ اوپر بات کی جا چکی ہے، کمپنی نے مستقبل قریب میں فرنیچر کے کاروبار میں قدم رکھ کر کاروباری سرگرمیوں کی بحالی کے لیے سنجیدہ اقدامات کیے ہیں اور ابتدائی طور پر کمپنی PSX کے ڈیفالٹرز کے حصے سے کمپنی کا نام ہٹانے کے لیے کارروائی کر رہی ہے، تاکہ مستقبل میں فرنیچر کا کاروبار شروع ہو سکے۔ مستقبل قریب میں منصوبہ پر عملدرآمد کیا جاسکتا ہے۔

فی شیئر کمائی

30 ستمبر 2020 کو ختم ہونے والی اسی سہ ماہی میں 0.0008 روپے کے مقابلے میں زیر جائزہ سہ ماہی کے لیے کمپنی کی فی حصص آمدنی 0.28 روپے ہے۔

اعتراف

بورڈ آف ڈائریکٹرز اسٹاف، ورکرز 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 اپنی تعریف کا اظہار کرتا ہے۔


افتخار شفیع
چیف ایگزیکٹو


عمران کبیر
ڈائریکٹر

لاہور

تاریخ: 25 اکتوبر 2021



SHAFFI CHEMICAL INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021

		September 30, 2021 (Un-Audited)		June 30, 2021 (Audited)	
		Book Value	Estimated	Book Value	Estimated
			Realizable/ Settlement Value		Realizable/ Settlement Value
ASSETS					
Cash and Bank Balances		443,587	443,587	572,196	572,196
Loans and Advances		748,268	748,268	677,598	677,598
Other Receivables		2,718,183	2,718,183	2,655,894	2,655,894
Security Deposits		223,560	223,560	223,560	223,560
Investments	5	37,212,449	26,488	33,441,879	32,210
Property, Plant and Equipment	6	12,238,114	7,846,700	12,404,574	7,846,700
TOTAL ASSETS		53,584,162	12,006,786	49,975,701	12,008,157
LIABILITIES					
Accrued and Other Payables		3,013,043	3,013,043	2,985,873	2,985,873
Unclaimed Dividend		-	-	-	-
Accrued Markup		10,800,985	10,800,985	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		44,310,951	44,310,951	43,945,350	43,945,350
Deferred liabilities		-	-	-	-
Provision for taxation	7	-	-	-	-
TOTAL LIABILITIES		91,616,553	91,616,553	89,783,676	89,783,676
NET ASSETS		(38,032,391)	(79,609,767)	(39,807,975)	(77,775,519)
REPRESENTED BY:-					
Authorized Capital					
12,000,000 Ordinary shares of Rs. 10/- each		120,000,000	120,000,000	120,000,000	120,000,000
Issued, Subscribed and Paid Up Capital					
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		19,964	19,964	22,024	22,024
Accumulated Losses		(164,101,529)	(164,101,529)	(165,949,679)	(165,949,679)
Share Holders' Equity		(44,081,565)	(44,081,565)	(45,927,655)	(45,927,655)
Surplus on Revaluation of Property, Plant and Equipments		6,049,173	-	6,119,680	-
Net Surplus on Estimated Realizable/Settlement Value		-	(35,528,203)	-	(31,847,863)
Contingencies & Commitments	9	-	-	-	-
		(38,032,391)	(79,609,767)	(39,807,975)	(77,775,519)

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 QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Notes	Quarter Ended	
		September 30, 2021	September 30, 2020
		Rupees	Rupees
Sales - net		-	-
Cost of Sales		-	-
Gross Profit		-	-
Administrative Expenses		(554,555)	(589,713)
Other Operating Income/(Expenses)		29	29
		(554,526)	(589,683)
Operating Profit/(Loss)		(554,526)	(589,683)
Finance Cost		(1,440,460)	(1,131,188)
		(1,994,986)	(1,720,872)
Share of Profit / (Loss) of Associated Company		4,281,539	2,034,091
Profit / (Loss) before Taxation		2,286,553	313,219
Taxation			
-Current		-	-
-Share of Tax of Associated Company		1,015,500	(301,984)
		1,015,500	(301,984)
Profit / (Loss) after Taxation		3,302,053	11,235
Earnings per share	10	0.28	0.00

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 QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Quarter Ended	
	September 30, 2021	September 30, 2020
	Rupees	Rupees
PROFIT / (LOSS) FOR THE QUARTER	3,302,053	11,235
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	2,073,259	987,066
Unrealized gain arising on remeasurement of available for sale investments	(2,059)	(5,261)
Other Comprehensive income for the quarter	2,071,200	981,805
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	5,373,253	993,040

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 QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	CAPITAL RESERVES		REVENUE RESERVES		Surplus on revaluation of property, plant and equipment	TOTAL RESERVES	TOTAL EQUITY
	SHARE CAPITAL	Fair Value Reserve	(Accumulated Loss) / Unappropriated Profit				
Balance as at 01 July 2020	120,000,000	26,015	(165,678,090)	6,424,275	(159,227,800)	(39,227,800)	
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	-	76,149	(76,149)	-	-	
Effect of items directly credited in equity by the associated companies	-	-	1,339,312	-	1,339,312	1,339,312	
Profit for the period	-	-	11,235			11,235	
Other comprehensive income for the period	-	(5,261)	987,066			981,805	
Total comprehensive income for the period	-	(5,261)	998,301			993,040	
Balance as at 30 September 2020	120,000,000	20,754	(163,264,328)	6,348,126	(156,895,448)	(36,895,448)	
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	-	-	70,507	(70,507)	-	-	
Effect of items directly credited in equity by the associated companies	-	-	(3,597,669)	-	(3,597,669)	(3,597,669)	
Profit for the period	-	-	3,302,053	-		3,302,053	
Other comprehensive income for the period	-	(2,059)	2,073,259	-		2,071,200	
Total comprehensive loss for the period	-	(2,059)	5,375,312	-		5,373,253	
Balance as at 30 September 2021	120,000,000	19,964	(164,101,529)	6,049,173	(158,032,391)	(38,032,391)	

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 QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Quarter Ended	
	September 30, 2021	September 30, 2020
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	2,286,553	313,219
Adjustments for :		
Depreciation	166,460	180,649
Share of profit / (loss) of associated company	(4,281,539)	(2,034,091)
Interest income	(29)	-
Finance cost	1,440,460	1,131,188
	(2,674,648)	(722,254)
Operating Profit before Working Capital Changes	(388,095)	(409,035)
Changes in Working Capital		
(Increase) / Decrease in Current Assets		
Loans and Advances	(70,667)	(115,123)
Other Receivables	(62,289)	(52,037)
	(132,956)	(167,160)
Increase / (Decrease) in Current Liabilities		
Trade and Other Payables	27,170	13,895
Changes in Working Capital	(105,787)	(153,266)
Cash Generated from / (used in) Operations	(493,881)	(562,300)
Taxes paid	(3)	(10,207)
Finance Cost Paid	(354)	(1,000)
Net Cash Generated from / (Used in) Operating Activities	(494,239)	(573,508)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Generated from Investing Activities	-	-
Net Cash Flows Before Financing Activities	(494,239)	(573,508)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short Term Borrowings	365,601	570,000
Interest Income	29	-
Net Cash Flows From Financing Activities	365,630	570,000
Net Increase / (Decrease) in Cash & Cash Equivalents	(128,610)	(3,508)
Cash & Cash Equivalents at the Beginning	572,197	442,973
Cash & Cash Equivalents at the End	443,587	439,464

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 QUARTER ENDED SEPTEMBER 30, 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 quarter ended September 30, 2021, the company reported gross loss of Rupees =Nil. The company has accumulated losses and shareholders' equity Rupees (164.102) Million and Rupees (44.082) Million respectively as on September 30, 2021. During the quarter 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	Audited
September 2021	June 2021
Rupees	Rupees

5.1 Long term investment in associated company under equity method

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

5.1	37,182,297	33,409,668
	30,152	32,211
	<u>37,212,449</u>	<u>33,441,879</u>
	37,182,297	33,409,668
	-	-
	<u>37,182,297</u>	<u>33,409,668</u>



SHAFFI CHEMICAL INDUSTRIES LIMITED

6 PROPERTY, PLANT AND EQUIPMENT

Book value at the beginning of the period
Less: Depreciation charged during the period

Un-Audited September 2021 Rupees	Audited June 2021 Rupees
12,404,574	13,127,168
6.1 (166,460)	(722,594)
12,238,114	12,404,574

6.1 Allocation of Depreciation

Administrative Expenses

166,460	722,594
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7 DEFERRED INCOME TAX

Accelerated tax depreciation allowance
Effect of accumulated tax losses

Non-recognition of deferred tax asset

Sep - 2021		
Balance at the beginning of the period	Recognized in profit & loss account	Balance at the end of the period
1,055,676	(214,274)	841,402
(4,270,074)	-	(4,270,074)
(3,214,398)	(214,274)	(3,428,672)
7.1 3,214,398	214,274	3,428,672
-	-	-

7.1 Deferred tax asset of Rs. 3.429 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	
September 30, 2021	June 30, 2021
12,000,000	12,000,000
12,000,000	12,000,000

Cash

Un-Audited September 30, 2021 Rupees	Audited June 30, 2021 Rupees
120,000,000	120,000,000
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

Profit / (loss) after taxation

Un-Audited	Un-Audited
Quarter Ended	
September 30, 2021	September 30, 2020
Rupees	Rupees

3,302,053 11,235

Number of shares

Issued, Subscribed and Paid up Capital

12,000,000 12,000,000

Earnings per share

0.28 0.00

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
September 30, 2021	June 30, 2021
Rupees in Millions	

Loan from related party

Capital Industrial Enterprises (Private) Limited

(44.311) (43.945)

Mark-up on loan from related party

Capital Industrial Enterprises (Private) Limited

(10.801) (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 **October 25, 2021** by the board of directors of the Company.

Chief Executive

Chief Financial Officer

Director