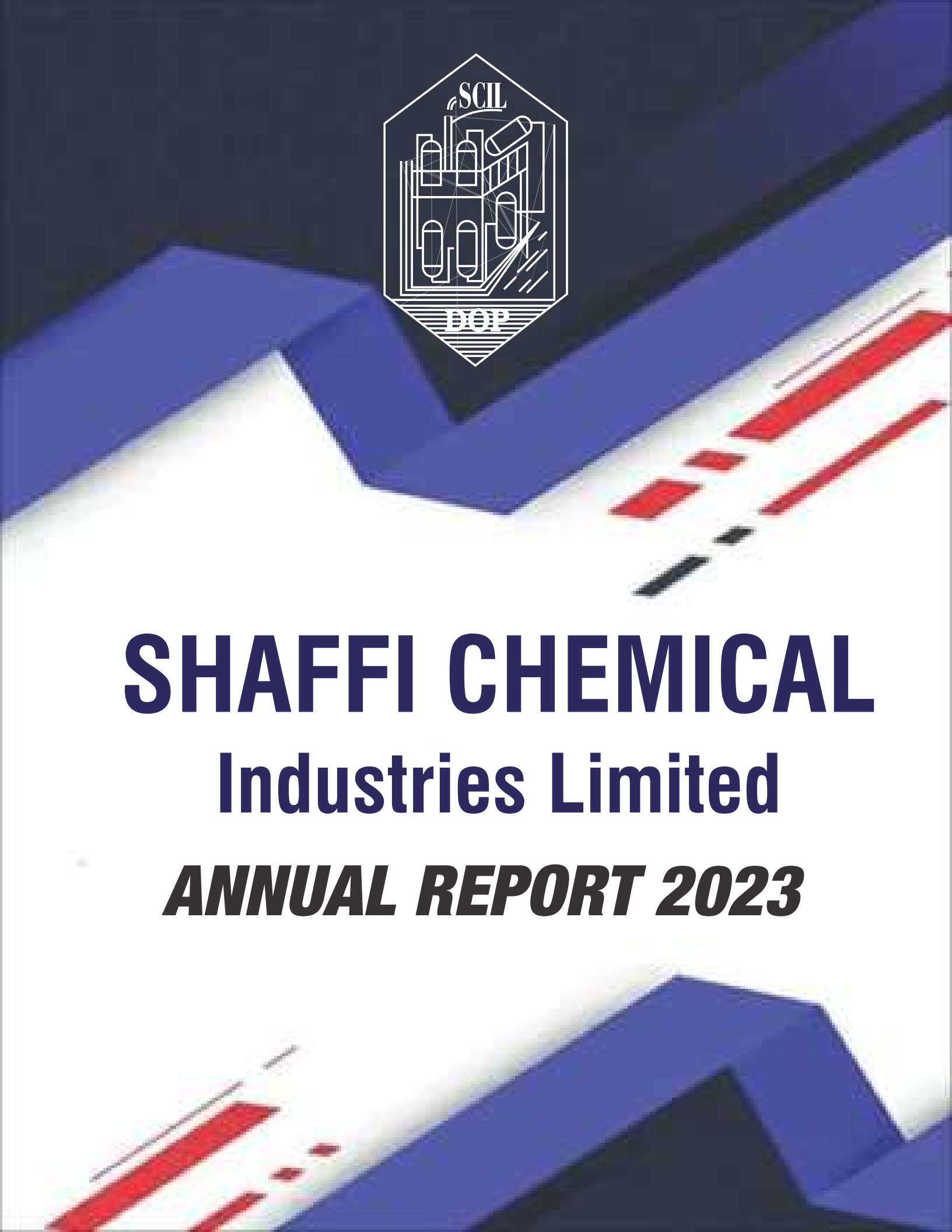


SHAFFI CHEMICAL
Industries Limited
ANNUAL REPORT 2023

CONTENTS

Corporate Profile	2
Notice of Annual General Meeting	3
Chairman's Review Report	4
Directors' Report to the Members	5-7
ڈائریکٹرز رپورٹ	8-10
Vision/Mission Statement/Corporate Strategy	11
Statement of Compliance with the Code of Corporate Governance	12-14
Review Report to the Members	15
Auditors' Report to the Members	16-19
Statement of Financial Position	20
Profit and Loss Account	21
Statement of Comprehensive Income	22
Statement of Cash Flows	23
Statement of Changes in Equity	24
Notes to the Accounts	25-52
Operating Highlights	53
Pattern of Shareholding	54-56
Form of Proxy	57-58

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.	Mrs. Seema Iftikhar	Director	*(Non-Executive)*
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 EJAZ 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 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: 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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of Shareholders of Shaffi Chemical Industries Limited will be held on Friday 27th October, 2023 at 10:00 A.M. at Company's Registered Office at Plot No. 2, Gadoon Amazai, Industrial Estate, Swabi, Khyber-Pakhtoonkhwa to transact the following business:

Ordinary Business

1. To confirm the minutes of the last Extra Ordinary General Meeting held on 30th day of December, 2022.

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30th June, 2023 together with the Reports of Board and the Auditors thereon.

3. To appoint company's Auditors for the next financial year ending June 30, 2024 and to fix their remuneration.

4. To consider any other transactions with the permission of the chair.

Special Business

5. To consider and approve the circulation of the Annual Audited Financial Statements through QR enabled code and weblink and to pass the following special resolution(s) with or without modifications.

   "Resolved that QR enabled code and web link of the Annual audited financial statements of the company be circulated to members in accordance with S.R.O 389(1)/2023 of Securities & Exchange Commission of Pakistan issued on 21st March, 2023 instead of circulation of the annual report through CD/DVD/USB."

Statement as required under section 134(3) of the Companies Act 2017, concerning the special business to be considered at the meeting is being sent to the shareholders with this notice.

BY ORDER OF THE BOARD

ZAHOOR AHMAD
Company Secretary

Lahore: 06-10-2023

Notes:

1. The share transfer books of the Company will remain closed from October 20, 2023 to October 27, 2023 (both days inclusive). Transfers received office of the at the Company's Registrars, M/s CORPLINK (PVT) LTD, Wing Arcade, 1-K, Commercial Area, Model Town, Lahore by close of business on October 19, 2023, will be treated in time.

2. A member entitled to attend and vote at the Meeting, may appoint another member as his / her proxy to attend, speak and vote on his/her behalf. Proxies effective must be receive at the office of the company not less than 48 hours before holding of meeting.

3. A member, who has deposited his/her shares in Central Depository Company of Pakistan, must bring his/her Participant ID number and account/sub account number alongwith original CNIC or Passport at the time of attending the meeting.

4. In case of corporate entities, Board of Directors' resolution/Power of Attorney with specimen signature of the nominee shall be produced at the time of attending the meeting.

5. To ensure compliance with the SECP Notification SRO 831(1)2012 dated July 05, 2012 read with Notification SRO 19(1)2014 dated January 10, 2014, all members who have not yet submitted their valid CNIC/NTN/Dividend Mandate (bank account detail i.e. Name & Address of Bank,and IBAN), are hereby once again requested to submit the same without further delay.

6. Members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.
"I/We, _____ of _____, being a member of Shaffi Chemical Industries Limited, holder of _____ ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____."
The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

7. The members are hereby notified that under the Companies (Postal Ballot) Regulations, 2018 amended through Notification SRO 2192(1)/2022 dated December 05, 2022 issued by the Securities & Exchange Commission of Pakistan (SECP), wherein SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the company will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the special business in its forthcoming AGM to be held on Friday, October 27, 2023 as per requirements of the Regulations mentioned above.

Detail of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, Cell numbers, and e-mail addresses available in the register of members of the Company the close of business on October 19, 2023 by Corplink (Private) Limited, the e-voting service provider.

The identity of the members intending to cast a vote through e-voting shall be authenticated through electronic signature or authentication for login. E-voting lines will start on October 24, 2023 at 9:00 am and close on October 26, 2023 at 5:00 pm. Members can cast their votes at any time during this period. Once members vote on a resolution, they shall not be allowed to change it.

8. The members shall ensure that duly filled and signed ballot paper alongwith a copy of the Computerized National Identity Card (CNIC) should reach at the address, The Chairman, Shaffi

Chemical Industries Limited Plot No. 2, Gadoon Amazai, Industrial Estate, Swabi, Khyber-Pakhtoonkhwa or e-mail to the chairman at (cosecretary@diamondfoam.com) one day before the Annual General Meeting i.e. at end of the business day of October 26, 2023. The signature on the ballot paper shall match the signature on CNIC.

9. As per Section 72 of the Act, all listed companies are required to replace shares issued by them in physical form to book-entry form within four years of the promulgation of the Act. Accordingly, all shareholders of Shaffi Chemical Industries Limited having physical folios / share certificates are requested to convert their shares into book-entry form at the earliest. Maintaining shares in book- entry form will make the process of share handling more efficient and risk free and will facilitate shareholders in the safe custody of shares. Shareholders may contact the Company or Share Registrar, M/s. Corplink (Pvt.) Ltd. 1-K Commercial, Model Town, Lahore, for the conversion of physical shares into book- entry form.

10. The audited financial statements of the company for the year ended June 30, 2023 have been placed at the Company's website www.scil.com.pk

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING YTHE CIRCULATION OF ANNUAL AUDITED FINANCIAL STATEME TSTHROUGH QR ENABLIED CODE AND WEBLINK.

The Securities & Exchange Commission of Pakistan vide SRO389/(1)/2023 dated March 21, 2023 has allowed listed companies to circulate the Annual Audited Financial Statements through QR enabled code and weblink subject to approval of the shareholders in the general meeting and that the circulation of annual Audited Financial statement through CD/DVD/USB may be discontinued. Accordingly, the matter has been placed for approval of the Shareholders.

Considering the optimum use of advancement in technology and fulfilling the Company's Corporate Social Responsibility, the Company will however, provide hard copy of the Annual Audited Financial Statements to the shareholders at their registered addresses, within seven days, on request, free of cost.

The notice of the meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address, to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act. The Company shall circulate the annual audited financial statements alongwith the Auditors' report, Directors' report, Chairman's Review report etc., through Email in case the Email address has been provided by the members to the Company and the consent of the members to receive the copies through email is not required. The company shall send the complete financial statements with relevant documents in hard copy to the shareholders, at their registered address, free of cost within one week if the member requests for the same.

Chairman's Review Report

I am delighted to extend my greetings to our esteemed shareholders, the dedicated board of directors and our hardworking employees for their efforts in revival of business operation of Shaffi Chemical Industries Limited (the company). In the fiscal year ended June 30, 2023, the sales revenue of Rs. 18.816 million, Gross Profit of Rs. 7.093 million and Profit after tax amounting to Rs. 3.129 million from the furniture business leads the company in better financial position which significantly contributed in the growth of operational profit of the year.

The board members including leadership team of the Company are humbled by your overwhelming response and are determined to deliver as per your expectations soon. I would also like to thank our esteemed shareholders for entrusting me with guiding direction of the Company and assure that all my efforts will continue to be aimed at steering the Company towards consistent qualitative and quantitative growth in future as well. We are committed towards fulfilling our mission for revival of business operations of the company.

The Board of Directors have rich and varied experience in the fields of business, finance, and regulations and ensures compliance of all regulatory requirements by the Management. The board committees provided valuable input and assistance to the Board. The Audit Committee particularly focused on detailed review of financial statements and effectiveness of internal controls. The HR Committee overviews HR policy framework and recommends selection and compensation of senior management team.

In acknowledgment of the confidence and trust shown by our esteemed shareholders during suspension of business operations of the company. I would like to praise the management for its immense efforts in revival of business operations of the company and I trust in the unwavering commitment of our management team and it is hoped that they will continue to steer the company with resolute leadership during these difficult times and guiding us toward a prosperous future.

Seema Iftikhar
Chairman

DIRECTORS' REPORT

Dear Shareholders,

The Directors of **Shaffi Chemical Industries Limited** present before you Directors' Report together with the Auditors' Report and the audited Financial Statements for the year ended June 30, 2023.

Financial highlights…2023

The financial results of the company are numerated below:

		2023	2022 .
		(Rupees in Millions)	
-	Sales-net	18.816	0.000
-	Gross Profit/(Loss)	7.093	0.000
-	Operating Expenses	(1.196)	(4.255)
-	Operating Profit / (Loss)	5.897	(4.255)
-	Other expenses and financial cost	(9.443)	(5.647)
-	Adjustment of impairment on investment	10.986	(10.986)
-	Share of Profit/(Loss) from Associated company	(0.500)	11.873
-	Profit/(Loss) before Taxation	6.939	(9.015)
-	Taxation	(3.809)	(1.389)
-	Profit/(Loss) after Taxation	3.129	(10.404)

Year in review:

As the company has settled all its liabilities towards ABL and for 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 with the request to remove the name of company from defaulter segment and to shift the company name at normal trade counter to restore the trading in the shares of our company. Whereas winding up petition filed by deputy registrar of companies Peshawar, is being 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, 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.

However, during the year under review, the company has secure sale revenue of Rs. 18.816 million from furniture business and earned operating profit of Rs. 5.897 million as against loss of Rs. (4.255) million of the preceding year ended June 30, 2022 whereas after adjustment of finance Cost of Rs. (9.250) million, impairment of long term investment of Rs. 10.986 million, share of Profit/(loss) from associated company of Rs. (0.500) million and tax liability of Rs. (3.809) million, the company managed to cap after tax profit at Rs. 3.129 million as compared to (Loss) at Rs. (10.404) million of the corresponding period ended June 30, 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, 2022 under the title "Contingencies and Commitments

Vision and mission:

The statement reflecting the Vision and Mission of the Company is annex to the report.

Earning per share:

Earnings per share for the year ended 30th June, 2023 is Rs. 0.26 as compared to Rs. (0.87) per share for the

preceding year.

Pattern of shareholding:
Pattern of shareholding is annexed to this report.

Board meetings:
Four meetings of Board of Directors were held during the year ended June 30, 2023 and the attendance of the Directors is as follows:

S.#	Name	Position	Attendance
1.	Mr. Iftikhar Shaffi	Chief Executive	04
2.	Mr Muhammad Sameer	Director	04
3.	Mr. Hashim Aslam Butt	Director	04
4.	Mr Mohib Hussain	Director	04
5.	Mr Qaiser Saleem Khan	Director	04
6.	Mr. Imran Kabir	Director	04
7.	Mrs. Seema Iftikhar	Director	04

Board committees:
The **Audit Committee** and **Human Resources & Remuneration Committee** are the standing committees of the board of directors.

Audit Committee is constituted by Board comprising of three members wherein two members are non executive directors and the chairman is an Independent director. Name of the members of audit committee appended at corporate profile of this annual report. The Committee reviews the periodic financial statements and examines the adequacy of financial policies and practices to ensure that an efficient and strong system of internal control is in place. The Committee also reviews the audit reports issued by the Internal Audit Department and compliance status of audit observations.

The Audit Committee is also responsible to recommend the BOD for the appointment of external auditors, and considers any question of resignation or removal of external auditors, audit fees and provision of any services provided to the Company for ensuring their independence review with respect to their audit performance. The terms and reference of the committee has formed and advised for its compliance.

Human Resources & Remuneration Committee is responsible to look into the requirements of manpower engaged by the company along with their remuneration and regularize the safety measures and environmental stewardship. Committee recommend the board for review, consider & approve the management policies, compensation matters (including retirement benefits) of COO, CFO, Company Secretary and head of internal audit and all such matters for key management position who report directly to CEO. The committee also ensures all elements of compensation and welfare for all its employees.

Future outlook:
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 to resume its business operations, 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.

Code of conduct:
Our code is built on a set of shared values based on principles of honesty, integrity, diligence, truthfulness and honour.

Pattern of shareholding:
Pattern of shareholding is annexed to this report.

Auditors:
The present auditors, M/s HLB Ijaz Tabussum & Co., Chartered Accountants are retiring at the conclusion of the forthcoming Annual General Meeting of the company. The Audit Committee has recommended the re-appointment of M/s HLB Ijaz Tabussum & Co., Chartered Accountants as the statutory auditors of the Company for the financial year ending June 30, 2024. The Board of Directors has endorsed this recommendation.

Corporate and financial reporting framework:
Company is committed to maintaining high standards of corporate governance without any exception. The Directors are pleased to state that the company is compliant with the provisions of the Code of Corporate Governance as required by SECP and formed as part of stock exchange listing regulations. Statement of Compliance with Code of Corporate Governance is as under.

The Directors confirm that:

a. The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flow and changes in equity.
b. Proper books of accounts of the company have been maintained.
c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
d. International Financial Reporting Standards, as applicable in Pakistan and the requirements of Companies Act, 2017 have been followed in preparation of the financial statements; and any departure thereof has been adequately disclosed and explained.
e. The system of internal control is sound in design and has been effectively implemented and monitored f) There are no significant doubts upon the company's ability to continue as a going concern
f. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations
g. Statements regarding the following are annexed or disclosed in the notes to the accounts:
   - Key financial data for the last six years
   - Pattern of shareholdings
   - Number of Board meetings held during the year and attendance by each director

Acknowledgement:
The board joins me to thank all the staff members and management team for their concerted efforts and contribution.

For and on behalf of the Board

IFTIKHAR SHAFFI
Chief Executive
Lahore:- 03rd October, 2023

IMRAN KABIR
Director

ڈائریکٹرز کی رپورٹ

پیارے شیئر ہولڈرز،

شفیع کیمیکل انڈسٹریز لمیٹڈ کے ڈائریکٹرز آپ کے سامنے ڈائریکٹرز کی رپورٹ کے ساتھ آڈیٹرز کی رپورٹ اور 30 جون 2023 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی بیانات پیش کرتے ہیں۔

مالیاتی جھلکیاں	2022 (ملین)	2023 (ملین)
سیلز	0.000	18.816
مجموعی منافع	0.000	18.816
آپریٹنگ خرچہ	(4.255)	(10196)
آپریٹنگ منافع	(4.255)	5.897
دیگر اخراجات اور مالیاتی خرچہ	(5.647)	(9.443)
سرمایہ کاری میں کمی کی مطابقت	(10.986)	10.986
ایسوسی ایٹ کمپنی کے نفع/نقصان کا حصہ	11.873	(0.500)
نفع قبل از ٹیکس	9.015	6.939
ٹیکس	(1.389)	(3.809)
منافع بعد از ٹیکس	10.404	3.129

سال میں جائزہ:

چونکہ کمپنی نے ABL کی طرف اپنی تمام ذمہ داریاں طے کر لی ہیں اور PSX ریگولیشنز کی شق 5.11.1(e) کی ڈیفالٹ کو درست کرنے کے لیے، کمپنی نے اپنی تمام بقایا سا کر دی ہے جس میں کمپنی کا نام ہٹانے کی درخواست ہے۔ ڈیفالٹر سیگمنٹ اور ہماری کمپنی کے حصص کی تجارت کو بحال کرنے کے لیے کمپنی کا نام نارمل ٹریڈ کا وَنٹر پر منتقل کرنا۔ جانب سے دائر کی گئی پٹیشن کو ختم کرنے کا کمپنی کی جانب سے بھرپور مقابلہ کیا جا رہا ہے اور معزز ہائی کورٹ پشاور میں جمع کرائے گئے ہمارے بحالی کے منصوبے کی تعمیل کرتے ساتھ فیکٹری کے احاطے میں فرنیچر کا کاروبار شروع کر دیا ہے۔ اگر فرنیچر مارکیٹ نے اس کی تعریف کی تو مستقبل میں فرنیچر کے کاروبار میں توسیع ہوتی رہے گی اور ورکنگ کیپ ایکٹ کی تمام قابل اطلاق شقوں کی تعمیل میں موجودہ شیئر ہولڈرز کو رائٹ شیئرز جاری کرنے کا عمل شروع کرے گی۔ 2017 اور اس پر دیگر تمام قانونی فورمز۔

تاہم، زیر جائزہ سال کے دوران، کمپنی نے محفوظ سیل ریونیو .Rs فرنیچر کے کاروبار سے 18.816 ملین اور روپے کا آپریٹنگ منافع کمایا۔ 5.897 ملین روپے کے 2022 کو ختم ہونے والے پچھلے سال کے (4.255) ملین جبکہ فنانس کی ایڈجسٹمنٹ کے بعد لاگت .Rs (9.250) ملین، روپے کی طویل مدتی سرمایہ کاری کی خرابی۔ منافع/ (نقصان) کا حصہ (0.500) ملین اور ٹیکس کی ذمہ داری روپے۔ (3.809) ملین، کمپنی نے ٹیکس کے بعد منافع روپے تک محدود کر دیا۔ (نقصان) کے مقابلے میں 2022 کو ختم ہونے والی اسی مدت کا (10.404) ملین۔ فرسٹ کیپٹل AMROABN ایکوئٹیز (پاکستان) لمیٹڈ، لاہور سٹاک ایکسچینج اور دیگر سے متعلق متنازعہ کیسز کا بھرپور طریقے سے مقابلہ کیا جا رہا ہے اور ان کی وضاحت P.E کے لیے تازہ ترین سالانہ مالیاتی بیانات 30 جون 2022 کو عنوان کے تحت "ہنگامی حالات اور وعدے"

نظریہ اور مقصد:

کمپنی کے وژن اور مشن کی عکاسی کرنے والا بیان رپورٹ کے ساتھ ملحق ہے۔

فی حصص آمدنی:

30 جون 2022 کو ختم ہونے والے سال کے لیے فی حصص آمدنی/ (نقصان) روپے ہے۔ (0.87) روپے کے مقابلے میں (0.26) پچھلے سال کے لیے فی شیئر

شیئر ہولڈنگ کا نمونہ:

شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

بورڈ کے اجلاس:

30 جون 2023 کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری حسب ذیل ہے:

نمبر شمار	نام	عہدہ	حاضری
1	افتخار شفیع	چیف ایگزیکٹو	04
2	محمد سمیر	ڈائریکٹر	04
3	ہاشم اسلم بٹ	ڈائریکٹر	04
4	محبّ حسین	ڈائریکٹر	04
5	قیصر سلیم خان	ڈائریکٹر	04
6	عمران کبیر	ڈائریکٹر	04
7	سیماء افتخار	ڈائریکٹر	04

بورڈ کمیٹیاں:

آڈٹ کمیٹی اور ہیومن ریسورسز اینڈ ریمونریشن کمیٹی بورڈ آف ڈائریکٹرز کی قائمہ کمیٹیاں ہیں۔

آڈٹ کمیٹی تین ممبران پر مشتمل بورڈ کے ذریعے تشکیل دی جاتی ہے جس میں دو ممبران نان ایگزیکٹو ڈائریکٹر ہوتے ہیں اور چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ اس سالانہ رپو شامل آڈٹ کمیٹی کے ارکان کے نام۔ کمیٹی وقتاً فوقتاً مالیاتی گوشواروں کا جائزہ لیتی ہے اور مالیاتی پالیسیوں اور طریقوں کی مناسبیت کا جائزہ لیتی ہے تاکہ یہ یقینی بنایا جاسکے کہ اند مضبوط نظام موجود ہے۔ کمیٹی اندرونی آڈٹ ڈیپارٹمنٹ کی طرف سے جاری کردہ آڈٹ رپورٹس اور آڈٹ مشاہدات کی تعمیل کی صورتحال کا بھی جائزہ لیتی ہے۔

آڈٹ کمیٹی بیرونی آڈیٹرز کی تقرری کے لیے BOD کو سفارش کرنے کی بھی ذمہ دار ہے، اور بیرونی آڈیٹرز کے استعفیٰ یا ہٹانے، آڈٹ فیس اور کمپنی کو فراہم کردہ کسی بھی خدما ہے تاکہ ان کے آڈٹ کے حوالے سے ان کی آزادی کے جائزے کو یقینی بنایا جاسکے۔ کارکردگی کمیٹی کی شرائط اور حوالہ اس کی تعمیل کے لیے تشکیل دیا گیا ہے اور مشورہ دیا گیا ہے

ہیومن ریسورس اینڈ ریمونریشن کمیٹی کمپنی کی طرف سے کام کرنے والی افرادی قوت کی ضروریات کو ان کے معاوضے کے ساتھ دیکھنے اور حفاظتی اقدامات اور ماحولیاتی ذمہ داری

کمیٹی بورڈ کو انتظامی پالیسیوں، COO، CFO، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ کے معاوضے کے معاملات (بشمول ریٹائرمنٹ کے فوائد) کا جائزہ لینے، غور کر آڈٹ کمیٹی اور ہیومن ریسورسز اینڈ ریمونریشن کمیٹی بورڈ آف ڈائریکٹرز کی قائمہ کمیٹیاں ہیں۔

آڈٹ کمیٹی تین ممبران پر مشتمل بورڈ کے ذریعے تشکیل دی جاتی ہے جس میں دو ممبران نان ایگزیکٹو ڈائریکٹر ہوتے ہیں اور چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ اس سالانہ رپو شامل آڈٹ کمیٹی کے ارکان کے نام۔ کمیٹی وقتاً فوقتاً مالیاتی گوشواروں کا جائزہ لیتی ہے اور مالیاتی پالیسیوں اور طریقوں کی مناسبیت کا جائزہ لیتی ہے تاکہ یہ یقینی بنایا جاسکے کہ اند مضبوط نظام موجود ہے۔ کمیٹی اندرونی آڈٹ ڈیپارٹمنٹ کی طرف سے جاری کردہ آڈٹ رپورٹس اور آڈٹ مشاہدات کی تعمیل کی صورتحال کا بھی جائزہ لیتی ہے۔

آڈٹ کمیٹی بیرونی آڈیٹرز کی تقرری کے لیے BOD کو سفارش کرنے کی بھی ذمہ دار ہے، اور بیرونی آڈیٹرز کے استعفیٰ یا ہٹانے، آڈٹ فیس اور کمپنی کو فراہم کردہ کسی بھی خدما ہے تاکہ ان کے آڈٹ کے حوالے سے ان کی آزادی کے جائزے کو یقینی بنایا جاسکے۔ کارکردگی کمیٹی کی شرائط اور حوالہ اس کی تعمیل کے لیے تشکیل دیا گیا ہے اور مشورہ دیا گیا ہے

مستقبل کا نقطہ نظر:

چونکہ کمپنی نے ABL کی طرف اپنی تمام ذمہ داریاں طے کر لی ہیں اور PSX ریگولیشنز کی شق 5.11.1(e) کی ڈیفالٹ کو درست کرنے کے لیے، کمپنی نے اپنی تمام بقایا سا کر دی ہے جس میں کمپنی کا نام ہٹانے کی درخواست ہے۔ ڈیفالٹر سیگمنٹ اور ہماری کمپنی کے حصص کی تجارت کو بحال کرنے کے لیے کمپنی کا نام نارمل ٹریڈ کا وَنٹر پر منتقل کرنا۔ جانب سے دائر کی گئی پٹیشن کو ختم کرنے کا کمپنی کی جانب سے بھرپور مقابلہ کیا جارہا ہے اور معزز ہائی کورٹ پشاور میں جمع کرائے گئے ہمارے بحالی کے منصوبے کی تعمیل کرتے ساتھ فیکٹری کے احاطے میں فرنیچر کا کاروبار شروع کر دیا ہے۔ اگر فرنیچر مارکیٹ نے اس کی تعریف کی تو مستقبل میں فرنیچر کے کاروبار میں توسیع ہوتی رہے گی اور ورکنگ کیپ ایکٹ کی تمام قابل اطلاق شقوں کی تعمیل میں موجودہ شیئر ہولڈرز کو رائٹ شیئرز جاری کرنے کا عمل شروع کرے گی۔ 2017 اور اس پر دیگر تمام قانونی فورمز۔

تاہم، زیر جائزہ سال کے دوران، کمپنی نے محفوظ سیل ریونیو .Rs فرنیچر کے کاروبار سے 18.816 ملین اور روپے کا آپریٹنگ منافع کمایا۔ 5.897 ملین روپے کے 2022 کو ختم ہونے والے پچھلے سال کے (4.255) ملین جبکہ فنانس کی ایڈجسٹمنٹ کے بعد لاگت .Rs (9.250) ملین، روپے کی طویل مدتی سرمایہ کاری کی خرابی۔ منافع/ (نقصان) کا حصہ (0.500) ملین اور ٹیکس کی ذمہ داری روپے۔ (3.809) ملین، کمپنی نے ٹیکس کے بعد منافع روپے تک محدود کر دیا۔ (نقصان) کے مقابلے میں 2022 کو ختم ہونے والی اسی مدت کا (10.404) ملین۔ فرسٹ کیپٹل AMROABN ایکوٹیز (پاکستان) لمیٹڈ، لاہور سٹاک ایکسچینج اور دیگر سے متعلق متنازعہ کیسز کا بھرپور طریقے سے مقابلہ کیا جارہا ہے اور ان کی وضاحت P.E کے لیے تازہ ترین سالانہ مالیاتی بیانات 30 جون 2022 کو عنوان کے تحت "ہنگامی حالات اور وعدے"

ضابطہ اخلاق:

ہمارا ضابطہ ایمانداری، دیانتداری، مستعدی، سچائی اور عزت کے اصولوں پر مبنی مشترکہ اقدار کے مجموعے پر بنایا گیا ہے۔
شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز:

موجودہ آڈیٹرز، میسرز ایچ ایل بی اعجاز تبسم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کمپنی کے آئندہ سالانہ جنرل اجلاس کے اختتام پر ریٹائر ہو رہے ہیں۔ آڈٹ کمیٹی نے میسرز ایچ اکاؤنٹنٹس کو 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی سفارش کی ہے۔ بورڈ آف ڈائریکٹرز نے اس سفارش کی توثیق کی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

کمپنی بغیر کسی رعایت کے کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔ ڈائریکٹرز کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ کمپنی کوڈ آف کارپوریٹ گورننس کہ ایس ای سی پی کی ضرورت ہے اور اسٹاک ایکسچینج کی فہرست سازی کے ضوابط کے حصے کے طور پر تشکیل دی گئی ہے۔ کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان حسب ذیل ہے

ڈائریکٹرز تصدیق کرتے ہیں کہ:

۱ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتے ہیں۔
کمپنی کے کھاتوں کی صحیح کتابیں رکھی گئی ہیں۔

۲ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

۳ بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے اور مالیاتی بیانات کی تیاری میں کمپنیز ایکٹ، 2017 کے تقاضوں پر عمل کیا گیا ہے۔ اور اس کی انکشاف اور وضاحت کی گئی ہے۔

۴ اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے (f) کمپنی کی جاری تشویش کے طور پر جاری رکھے نہیں ہے۔

۵ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل دی گئی ہے۔
جی مندرجہ ذیل سے متعلق بیانات اکاؤنٹس کے نوٹس میں منسلک یا ظاہر کیے گئے ہیں:

- ☆ پچھلے چھ سالوں کا اہم مالیاتی ڈیٹا
- ☆ شیئر ہولڈنگ کا نمونہ
- ☆ سال کے دوران منعقدہ بورڈ کے اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری

اعتراف:

بورڈ عملے کے تمام اراکین اور انتظامی ٹیم کا ان کی ٹھوس کوششوں اور شراکت کے لیے شکریہ ادا کرتا ہے۔

بورڈ کے لیے اور اس کی جانب سے

افتخار شفیع
چیف ایگزیکٹو
لاہور:-03 اکتوبر، 2023

عمران کبیر
ڈائریکٹر

VISION / MISSION STATEMENT AND CORPORATE STRATEGY

Vision

The Company's vision is to be a market leader as manufacturing organization and to play a meaningful role on sustainable basis in the economy of Pakistan in the best possible manners with customer satisfaction as its premier goal.

Mission

Its objects, as outlined in the mission statement are to conduct company business through good governance with responsibility to all our stake holders and foster a sound & dynamic team for maintaining professional standards and optimum use of resources while achieving the unique position in the market by meeting the requirements of high quality products for the customers and proving a stimulating environment to all the employees for their growth and development and fostering a feeling of job satisfaction, by following the highest of ethical and fiduciary standards and serving the interests of the society.

Corporate strategy

To produce and market high quality products, consistently exceeding customer expectations, ensure right usage of company's resources, create employment opportunities and protect the interest of stakeholders.

Note: The Company is in process of restructuring hence Mission, Vision and Corporate Strategy will be followed and implemented in letter and spirit when restructuring process is complemented and the Company starts its production and sales processes.

IFTIKHAR SHAFFI
Chief Executive

IMRAN KABIR
Director

Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019

Name of Company:- SHAFFI CHEMICAL INDUSTRIES LIMITED
Year Ended:- 30-06-2023

The company has applied the principles contained in the CCG in the following manner:

1. The total number of directors are seven as per following:
a) Male 6
b) Female 1

2. The composition of Board is as follows:

Category	**Names**
Executive Director	Mr. Iftikhar Shaffi
Independent Director	Mr. Qaiser Saleem Mr. Imran Kabir
Non-Executive Directors	Mr. Muhammad Sameer Mr. Hashim Aslam Butt Mr. Mohib Hussain
Female Director	Mrs. Seema Iftikhar

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. All Directors are Exempt from Director Training Program. All the directors of the company have 16 to 40 years of working experience in their respective areas of specialization and are well aware of their duties & responsibilities and powers as per code of Corporate Governance and the Companies Act, 2017 which are crucial to the running and development of companies. Directors of the company have inculcated good governance practices in the corporate sector and have more than 14 years of education as well and thus fall under the exemption available in the Code of Corporate Governance. Further Mr Iftikhar Shaffi Chief Executive of the company and Chairman of Diamond Group of Industries is well known industrialist with vast and rich experience of about 40 years in managing large industrial units.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration, terms, and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a) **Audit Committee:-** It comprise three members, of whom two are non-executive directors and the chairman of the committee is an independent director.

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

b) **HR and Remuneration Committee:-** It comprise three members, of whom two are non-executive directors and the chairman of the committee is an independent director.

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

13. The terms of reference of the afore-said committees have been formed, documented and advice to the committee for compliance.

14. The frequency of meetings of the committee were duly been held as and when required but at least once of every quarter before approval of financial statements of the company.

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that the partners of the firm involved in the audit are not a close relative (spouse, parents, dependent and non-dependent children) of the Chief Executive Officer, CFO, Head of Internal Audit, Company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Sr. No	Non-Mandatory Requirement	Explanation	Reg. No.
1	**Representation of Minority shareholders** The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation	No one intended to contest election as director representing minority shareholder.	5
2	**Responsibilities of the Board and its members:** Adoption of the corporate governance practices	Non-mandatory provisions of the CCG Regulations are partially complied.	10(1)
3	**Nomination Committee:** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Executive Committee.	29(1)
4	**Risk Management Committee:** The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and the company's Chief Internal Auditor, performs the requisite functions and apprises the board accordingly.	30(1)

IFTIKHAR SHAFFI
Chief Executive

Seema Iftikhar
Chairman

IMRAN KABIR
Director

INDEPENDENT AUDITOR'S REPORT

To the members of Shaffi Chemical Industries Limited

Report on the Audit of the Financial Statements

We have audited the annexed financial statements of Shaffi Chemical Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion because of the matters described in paragraph 1 of ***Basis for opinion*** section of our report and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

During the year company has accumulated losses and shareholders' equity before revaluation surplus amounting to Rs. 176.019 million (2022: 176.534 million) and Rs 47.164 million (2022: 50.683 million) respectively as on June 30, 2023. Manufacturing units remained closed whole year. Management of the company decided to go for delisting therefore all the employees were laid off in the year ended June 30, 2015. The deputy registrar of Company has initiated the winding up proceeding in Peshawar high court since 2018. 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 realizable/ 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluated the appropriateness of arm's length transactions.

Key Audit Matters	How our audit addressed the key audit matters
1. Investment in associated companies under equity method	
Shaffi Chemical Industries (SCIL) owns 15.80% equity in Diamond Industries Limited (DIL), an entity listed on the Pakistan Stock Exchange. The carrying value of investm ent in associated Company DIL amounting to Rupees 36.359 million that is accounted for under the equity method. Quoted value of investment is Rs. 30.62 per share. As at June 30, 2023 , management conducted an impairment test to assess the recoverability of the carrying value of investment in associate. This was performed using a discounted cash flow model to calculate asset value in use. A number of key judgment were made in determining the input into discounted cash flow model which included expected future cash flows, growth rate and discount rate applied to the cash flows. We identified asse ssing the carrying value of investment in associate a key audit matter because of its significance in financial statement.	Our key audit procedure includes the following: · Identification and understanding of the significant controls implemented by the Company over the impairment testing process. · Identification and understanding of the significant judgments used to calculate carrying value of assets and impairment if any. · Verification that the carrying amount of the investment was determined properly and its comparison with the value in use resulting from the impairment test. · Assessed the significant influence existed or not so to account for under equity method. · Verified accuracy of carrying amount of investment in associate using equity method
2. Valuation and presentation of Loan from Associated undertaking and persons.	
Refer to note no. 13 & 14 annexed, the company has taken loan from directors and associated companies. The loan from directo rs are interest free whereas loan from associates is su bject to effective interest rate of Kibor+2.5% with undetermined period of repayment. As the liability is significant therefore it is key audit matter.	Our key audit procedure includes the following: · We assessed the design and operating effectiveness of the company's internal controls over recording the terms and conditions of borrowings including their classification and associated costs. · We have obtained confirmations of borrowings directly from lenders. · We tested the calculation of markup recognized as a n expense in accordance with approved accounting standards. · Inquiry from management and board meetings · Adequacy of presentation and disclosure as per IAS 24 *"Related Party disclosures"* · Evaluated the appropriateness of arm's length transactions.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

4 Evaluate the overall presentation, structure and content of the financial statements, including the

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) Investments made, expenditure incurred and guarantees extended during the year were for the Purpose of the Company's business; and

d) No zakat is deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Mrs. Saira Mudassar.



HLB IJAZ TABUSSUM & COMPANY
CHARTERED ACCOUNTANTS
UDIN # AR202310189lCBW987mG

Date: October 05, 2023
Place: Lahore

To the members of SHAFFI CHEMICAL INDUSTRIES LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) of the Regulations 2019.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach.

We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.



HLB IJAZ TABUSSUM & COMPANY
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER:
Mrs. Saira Mudassar
UDIN # CR2023101893fnYDkGq5

Dated: October 05, 2023
Place: Lahore

STATEMENT OF FINANCIAL POSITION
AS AT June 30, 2023

ASSETS	Note	June 30, 2023 Book value	June 30, 2023 Estimated Realisable/ settlement value	June 30, 2022 Book value	June 30, 2022 Estimated Realisable/ settlement value
Cash and bank balances	3	1,229,394	1,229,394	1,620,419	1,620,419
Trade Debts	4	2,315,371	2,315,371	-	-
Loan and Advances	5	645,614	645,614	542,238	542,238
Other Receivables	6	1,849,847	1,849,847	2,942,461	2,942,461
Stock in trade	7	789,433	1,087,049	-	-
Security Deposits	8	223,560	223,560	223,560	223,560
Investments	9	36,385,183	41,402,446	32,468,766	31,829,375
Property, Plant and Equipment	10	14,373,185	14,366,584	11,738,736	11,953,432
TOTAL ASSETS		57,811,586	63,119,866	49,536,179	49,111,485
LIABILITIES					
Trade and Other Payables	11	3,264,841	3,264,841	3,208,396	3,208,396
Accrued Markup	12	24,064,632	24,064,632	14,814,200	14,814,200
Payable to Directors	14	33,491,574	33,491,574	33,491,574	33,491,574
Payable to associated company	13	43,919,925	43,919,925	48,705,584	48,705,584
Provision for taxation	15	235,212	235,212	-	-
TOTAL LIABILITIES		104,976,184	104,976,184	100,219,754	100,219,754
NET ASSETS		(47,164,598)	(41,856,319)	(50,683,575)	(51,108,269)
REPRESENTED BY:-					
Authorized share 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	16	120,000,000	120,000,000	120,000,000	120,000,000
Fair Value Reserves		15,916	15,916	12,495	12,495
Accumulated Losses		(176,018,703)	(176,018,703)	(176,533,722)	(176,533,722)
Share Holders' Equity		(56,002,787)	(56,002,787)	(56,521,228)	(56,521,228)
Surplus on Revaluation of property, Plant and equipment	17	8,838,189	-	5,837,653	-
Net surplus on estimated realisable/settlement value		-	14,146,468	-	5,412,958
Contingencies & Commitments	18	-	-	-	-
		(47,164,598)	(41,856,319)	(50,683,575)	(51,108,269)

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 2023 Rupees	June 2022 Rupees
Sales - net	19	**18,816,981**	**-**
Cost of Sales	20	**(11,723,180)**	**-**
Gross Profit / (Loss)		**7,093,801**	**-**
Operating Expenses			
Administrative Expenses	21	**(1,196,519)**	(4,255,617)
Other Operating Income	22	**326**	151
		(1,196,193)	(4,255,466)
Operating Profit / (Loss)		**5,897,608**	(4,255,466)
Other Operating Expenses	23	**(193,140)**	(193,140)
		5,704,468	(4,448,606)
Finance Cost	24	**(9,250,682)**	(5,453,881)
		(3,546,214)	(9,902,487)
Recognition of financial liabilities		**-**	**-**
		(3,546,214)	(9,902,487)
Reversal of impairment/(Impairment) on long term investment in associated company	9.1	**10,986,154**	(10,986,154)
		7,439,940	(20,888,640)
Share of Profit/ (Loss) from associated company	9.1	**(500,612)**	11,873,375
Profit / (loss) before Taxation		**6,939,328**	(9,015,265)
Taxation			
Taxation - Prior Year	25	**(235,212)**	**-**
Share of tax of associated company		**(3,574,204)**	(1,388,939)
		(3,809,416)	(1,388,939)
Profit / (loss) after Taxation		**3,129,911**	(10,404,204)
Earning/(loss) per Share	26	**0.26**	(0.87)

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive | Chief Financial Officer | Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 2023 Rupees	June 2022 Rupees
PROFIT / (LOSS) FOR THE PERIOD		**3,129,911**	(10,404,204)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Surplus on revaluaion of Property, Plant and equipment		**3,383,985**	-
Items that may be reclassified subsequently to profit or loss:			
Unrealized gain/ (loss) arising on remeasurement of available for sale investments ofassociated companies	**9.1**	**(935,468)**	191,497
Unrealized gain arising on remeasurement of available for sale investments	**9.2**	**3,421**	(9,529)
Other Comprehensive income for the period		**(932,047)**	181,968
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**5,581,850**	(10,222,236)

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive **Chief Financial Officer** **Director**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 2023 Rupees	June 2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	27	**4,478,380**	(3,646,811)
Taxes paid		**(83,497)**	(64,640)
Finance cost paid/adjusted		**(250)**	(560)
Gratuity paid / adjusted		**-**	-
Net Cash generated from operating activities		**4,394,633**	(3,712,011)
CASH FLOW FROM INVESTING ACTIVITIES			
Disposal of investment available for sale			-
Disposal of vehicles		-	-
Investment recognized		-	-
Purchase of Property, Plant And Equipment		-	-
Net Cash Generated from /(used in) Investing Activities		**-**	-
CASH FLOW FROM FINANCING ACTIVITIES			
Short Term Borrowings paid		**-**	-
Loan from associated company		**(4,785,659)**	4,760,234
Loan from Director		**-**	-
Net Cash generated from /(used in) financing activities		**(4,785,659)**	4,760,234
Net Increase / (Decrease) in Cash & Cash Equivalents		**(391,025)**	1,048,223
Cash & Cash Equivalents at the Beginning of the Period		**1,620,419**	572,197
Cash & Cash Equivalents at the End of the Period		**1,229,394**	1,620,419

The annexed notes from 1 to 38 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	SHARE CAPITAL	CAPITAL RESERVES	REVENUE RESERVES		TOTAL RESERVES	TOTAL EQUITY
		Fair Value Reserve	(Accumulated Loss) / Unappropriated Profit	Surplus on revaluation of property, plant and equipment		
			(Rupees)			
Balance as at 01 July 2021	120,000,000	22,024	(165,949,679)	6,119,680	(159,807,976)	(39,807,976)
Effect of items directly credited in equity by the associated companies	-		(653,363)	-	(653,363)	(653,363)
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	-	282,027	(282,027)	-	-
Profit for the year	-	-	(10,404,204)	-	(10,404,204)	(10,404,204)
Other comprehensive income for the year	-	(9,529)	191,497	-	181,968	181,968
Total comprehensive loss for the year	-	(9,529)	(10,212,707)	-	(10,222,236)	(10,222,236)
Balance as at 30 June 2022	120,000,000	12,495	(176,533,722)	5,837,653	(170,683,575)	(50,683,575)
Balance as at 01 July 2022	**120,000,000**	**12,495**	**(176,533,722)**	**5,837,653**	**(170,683,575)**	**(50,683,575)**
Effect of items directly credited in equity by the associated companies	-	-	**(2,062,874)**	**-**	**(2,062,874)**	**(2,062,874)**
Revalulation surplus arising during the period	-	-	**-**	**3,383,985**	**3,383,985**	**3,383,985**
Incremental depreciation on surplus on revaluation of property, plant & equipment	**-**	**-**	**383,449**	**(383,449)**	-	**-**
Profit for the period	**-**	**-**	**3,129,911**	**-**	**3,129,911**	**3,129,911**
Other comprehensive income for the period	**-**	**3,421**	**(935,468)**	**-**	**(932,047)**	**(932,047)**
Total comprehensive loss for the period	**-**	**3,421**	**2,194,444**	**-**	**2,197,865**	**2,197,865**
Balance as at 30 June 2023	**120,000,000**	**15,916**	**(176,018,703)**	**8,838,188**	**(167,164,599)**	**(47,164,599)**

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive **Chief Financial Officer** **Director**

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

1.0 STATUS AND NATURE OF BUSINESS

The Company was incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017) as Public Limited Company on 27th December 1994. The shares of the company are quoted on Karachi and Lahore Stock Exchanges. The main activity of the company is to manufacture and process of Di-Octyle-Ortho Phthalates (DOP) Chemicals. In the current years, the company to produce Lith and Diltex Binder. The registered office of the company is situated at Gadoon Amazai, Industrial Estate, Swabi (Kyberpakhtoonkhwan)

1.1 GOING CONCERN ASSUMPTION

During the year ended June 30, 2023, the company reported gross profit of Rupees 7.09 m. The company has accumulated losses and shareholders' equity Rupees176 Million and Rupees (47.16) Million respectively as on June 30, 2023. During the year ended Sales of company was 18.8 Million. Management of the company had decided to go for delisting therefore all the employees has been laid off since 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.

1.2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANIES FIANANCIAL POSITION AND PERFORMANCE

There is no reportable significant event or transaction during the year

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

1.4 Basis of Prepara)Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.**b)Accounting convention**

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respectiveaccountingpolicies.

c)Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

d) Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on

an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and investment properties with a corresponding effect on the depreciation charge and impairment.

Inventories
Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

Income tax
In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Revenue from contracts with customers involving sale of goods
When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Impairment of investment in associate
In making the estimates of recoverable amount of the Company's investment in associate, the management considers future cash flows.

Changes / Amendments in Accounting Standard

1.5 Standards, amendments to approved accounting standards effective in the current year
The following standards and amendments are either not relevant to the company's operations and are not expected to have significant impact on the company's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after :
IFRS 3Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework.
January 01,2022 IAS 16Amendments to IAS 16 'Property Plant and Equipment' - Proceeds before intended use
January 01,2022 IAS 37Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - cost of fulfilling a contract January 01,2022
IFRS 9/IFRS 16/IAS 41Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

Amendments/ Improvements to Accounting Standards that are not yet effective
The following amendments and interpretations with respect to the approved accounting standards as applicable would be effective from the dates mentioned below against the respective standard or interpretation.

Effective date(annual periods beginning on or after)
IAS 1Presentation of financial Statements- Amendments regarding - Disclosure of accounting policies.
January 01,2023
IAS 1Presentation of financial Statements- Amendments regarding the classification of liabilities as current or non-current.
January 01,2024
IAS 8Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' The IASB clarified how companies
should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of

and clarifications on accounting estimates. January 01,2023
IAS 12Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction. January 01,2023
IAS 12Amendments to 'IAS 12 Income Taxes' - International Tax Reform - Pillar Two Model Rules.
January 01,2023
IFRS 16Amendments to IFRS 16 - 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transaction.January 01,2024
IFRS 10 & IAS 28Amendments to IFRS 10 and IAS 28 - `Sale or Contribution of Assets between an investor and its associate or Joint Venture
Deferred Indefinitely

Standards, Interpretations and amendments to approved accounting standards that are not yet effective

The following new standards and interpretation have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by Securities and Exchange Commission of Pakistan.

IASB effective date (annual periods beginning on or after)
IFRS 1First time adoption of international financial reporting standards.
January 01,2018
IFRS 17Insurance contracts.
January 01,2021
The management anticipates that the adoption of the above standards and amendments in future periods will have no material impact on the company's financial statements.

1.6 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

1.7 Property, Plant and Equipment

These are stated at cost less accumulated depreciation and any identified impairment loss except freehold land and capital work-in-progress which are stated at cost less any identified impairment loss. Cost of property, plant and equipment consists of historical cost and other directly attributable costs of bringing the assets to working condition. Leasehold land is stated at cost less the amount amortized over the lease period in equal proportions.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation on property, plant and equipment is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying value of the asset) is included in the income statement in the year the asset is derecognized

1.8 IFRS 16 "Leases"

The Company has adopted IFRS 16 from 01 July 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognized in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognized lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17, as the operating expense is now replaced by interest expense and depreciation in the statement of profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.
The adoption of IFRS 16 has no financial impact on the financial statements of the Company.

Right-of-use assets
A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.
Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.
The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

Lease liabilities
A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.
Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

1.9 Investment and other financial assets
a) Classification
The investments made by the company are classified for the purpose of measurement into the following categories: those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost
The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition

to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income/ (other expenses) in the statement of profit or loss as applicable.

2.0 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.1 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.2 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.3 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.4 Investment in associate – (with significant influence)

Investments in associate over which the Company has significant influence is accounted for using the equity method. In case of investment accounted for under the equity method, the method is applied from the date when significant influence is established until the date when that significant influence ceases.

2.4.1Stock - in - Trade

Cost of raw material is based on moving average cost Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads. Materials in transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make a sale.

2.4.2Stores, Spares and Loose Tools

Useable stores and spare parts are valued principally at moving average cost, while items considered obsolete are carried at nil

value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon

2.4.3 Trade debts and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses

2.4.4Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at book value which approximates their fair value. For the purposes of the cash flow statement, cash equivalents comprise cash in hand, cash at banks and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.4.5Taxation Current

The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax has been made in the financial statements accordingly. However, tax on other income is based on taxable income at the current rates after considering the rebates and tax credits available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that is the probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

However, provision for the deferred income tax is not considered necessary as the company is chargeable to tax under section 169 of the Income Tax Ordinance, 2001 and no temporary differences are expected to arise in the foreseeable future.

2.4.6 Revenue from contracts with customers

I) Revenue recognition Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Profit on deposits with banks is recognized on a time proportion basis taking into account the principal outstanding and rate of profit / interest applicable thereon.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment

purposes.

iii) Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

iv) Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

v) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

vi) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

vii) Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.4.7 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.4.8 Share capital

Ordinary shares are classified as equity.

2.4.9 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.4.10 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.4.11 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.4.12 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.4.13 Borrowing

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.4.14Retirement Benefits

The company operates an unfunded and unapproved gratuity scheme for its employees, which is a defined benefit plan based upon the last salary drawn by an employee. Present value of defined benefit obligation is calculated on the basis of actuarial valuation at the end of the year. The valuation in these accounts is worked out on the Projected Unit Credit Actuarial Cost method basis.

Actuarial valuation of defined benefit scheme was not conducted because there was no employee in the company as at December 30, 2017.

Actuarial gains and losses are accounted for in accordance with the revised IAS-19 "Employee benefits".

2.4.15Borrowing Cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.4.16Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency

.2.4.17Foreign Currency Transactions

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.4.18Related party transactions

All transactions with related parties are carried out by the Company at arm's length prices using the method prescribed under the Companies Act 2017.

2.4.19Loans, Advances and other Receivables
Loans, advances and other receivables are recognized initially at cost and subsequently measured at amortized cost.

2.4.20Long Term Loans and Short Term Borrowings
Loans and borrowings are initially recorded at the time proceeds are received and subsequently at amortized cost. Financial charges are accounted for on accrual basis and are either added to the carrying amount of the instruments or included in the creditors, accrued and other liabilities to the extent of the amount remaining unpaid. Exchange gain and losses (if any) arising in respect of loan or borrowings in foreign currency are added to the carrying amount of the instrument.

2.4.21Trade and Other Payables
Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the company.

2.4.22Impairment
Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

			June 2023 Rupees	June 2022 Rupees
3.0	**CASH & BANK BALANCES**			
	Cash in hand		**324,121**	151,683
	Cash at banks:			
	Current Accounts		**905,273**	1,468,736
			1,229,394	1,620,419
4.0	**TRADE DEBTS**			
	Considered Good- unsecured		**2,315,371**	-
	Considered Doubtful		**-**	-
			2,315,371	-
	Provision for Doubtful Debts		**-**	-
			2,315,371	-
	Provision against bad debts has been provided in the accounts against accounts receivable beyond a period of three years.			
	Upto 3 Months		**2,315,371**	**-**
	3 to 6 Months		**-**	**-**
	6 to 12 Months		**-**	**-**
	More than 1 Year		**-**	**-**
			2,315,371	**-**
5.0	**LOANS AND ADVANCES**			
	Advances : Considered good			
	Other Advances		**29,330**	9,451
	Advance income tax		**616,284**	532,787
			645,614	542,238
6.0	**OTHER RECEIVABLES**			
	Sales Tax Receivable		**1,149,847**	2,242,461
	Short term prepayments		**-**	-
	Receivables from First Capital ABN AMRO Equities (Pak) Ltd.	6.1	**-**	-
	Margin against Bank Guarantee (Sui Gas)		**700,000**	700,000
	-		**1,849,847**	2,942,461
6.1	**Receivables from First Capital ABN AMRO Equities (Pak) Ltd.**			
	Receivables from First Capital ABN AMRO Equities (Pak) Ltd.		**157,950,240**	157,950,240
	Provision for Bad Debts	6.2	**(157,950,240)**	(157,950,240)
	Amount Recovered		**-**	-
			(157,950,240)	(157,950,240)
	Cost of investment in Sui Northern Gas Pipelines Limited		**-**	-
			-	-

6.2 This represents amount receivable from First Capital ABN AMRO 'Equities (Pak) Ltd., member Karachi & Lahore Stock Exchange, which illegally and without lawful 'authority withdrew the share from sub account of the company.

The company had filed an application before the Securities & Exchange Commission of Pakistan for recovery of the same and proceedings of the case is still pending since the year 2000 due to continued in action on the part of Security and Exchange Commission of Pakistan the company has made a provision against doubtful debt.

			June 2023 Rupees	June 2022 Rupees
7.0	**STOCK IN TRADE**			
	Raw Materials		**-**	-
	Less: Provision for slow moving stock		**-**	-
			-	-
	Finished Goods		**789,433**	-
			789,433	-
8.0	**SECURITY DEPOSITS**			
	Security deposits against :			
	Utilities		**70,760**	70,760
	Gas		**127,800**	127,800
	Central Depositary Co. Ltd.		**25,000**	25,000
			223,560	223,560
9.0	**INVESTMENTS**			
	Investment in Associated Company - Equity Method	9.1	**36,359,081**	32,446,085
	Other Investment (FVTOCI)	9.2	**26,102**	22,681
			36,385,183	32,468,766
9.1	**Associated Company-(with significant Influence)- Equity Method**			
	Diamond Industries Limited.			
	1,422,450 (2022: 1,422,450 fully paid ordinary shares of Rs.10 each			
	Equity held 15.80 % (2022: 15.80 %)			
	Market value as on 30 September 2022, is 27,894,245/-			
	(2021:Nil)			
	Share in net assets at the end of the period		**36,359,081**	43,432,238
	Less: Impairment loss at the end of the period		**-**	(10,986,154)
			36,359,081	32,446,085
	Share in net assets at the beginning of the period		**43,432,238**	33,409,668
	Add: Share in profit / (loss) before taxation		**(500,612)**	11,873,375
	Share in taxation		**(3,574,204)**	(1,388,939)
	Change in surplus on revaluation of fixed assets		**210,307**	1,523,156
	Share of transfer from Surplus on revaluation of fixed assets		**-**	-
	on account of incremental depreciation		**(440,853)**	(1,523,156)
	Effect of prior year adjustments/other adjustments		**(1,832,328)**	(653,363)
	Share of Liabilities Written Off		**-**	-
	Share of gain/(loss) arising on measurement of available for sale investment		**(935,468)**	191,497
			(7,073,157)	10,022,570
			36,359,081	43,432,238
	Accumulated impairment loss at the beginning of the period		**(10,986,154)**	-
	Impairment loss charged during the period		**10,986,154**	(10,986,154)
	Reversal of impairment loss during the period		**-**	-
	Net (impairment loss)/reversal for the period		**10,986,154**	(10,986,154)
	Accumulated impairment loss at the beginning of the period		**-**	(10,986,154)
	Share in net assets at the end of the period		**36,359,081**	32,446,085

Reconciliation to Carrying amounts:			
As at 01 march		274,800,626	235,256,549
Profit After Income Tax		(25,781,813)	43,523,807
Other Comprehensive income /(Loss)		(18,970,844)	(3,979,729)
As at 30 September		**230,047,969**	**274,800,626**
Company's Share		**15.805%**	15.805%
Goodwill		-	-
Carrying Value		**36,359,081**	43,432,238
Summerised Statement of Comprehensive Income			
Revenue		**373,202,400**	1,277,045,551
Profit for the Year		12,637,234	43,523,807
Other Comprehensive Income for the Year		(636,394)	(3,979,729)
Total Comprehensive Loss		**12,000,840**	39,544,078
Dividend received from the associates		-	-

Interest in Diamond Industries Limited associated Company

Country of Incorportion	% of Ownership Interest		Measurement Method		Quoted Fair Value		Carrying Value	
	Jun-23	Jun-22	Jun-23	Jun-22	Jun-23	Jun-22	2023	2022
Pakistan	15.805%	15.805%	Equity Method	Equity Method	See Note No 9.1.4		36,359,081	32,446,085

9.1.2 There was no significant transaction or event occurred in associated company between March 31, 2022 and September 30, 2022, therefore there is no need to take any adjustment.

9.1.3 It is impracticable to use same date financial statments for calculating breakup value of shares because diamond industries Limited also have shares in Shaffi Chemicals Limited therefore a loop is created to calcualte breakup value of both company shares therefore the most recent available financial statements of the associate is being used, with adjustments made for the effects of any significant transactions or events occurring between the accounting period ends. The difference between the reporting date of the associate and that of the investor cannot be longer than three months.therefore unaudited financial statment of March 2019 is used for calculating value of share under equity method.

9.1.4 The shares of Diamond industries Limited freezed in year 2017 at market price of Rs. 24.65 / share, thereafter there is no change in market price for calculation of impairment fair value is taken at amount of Rs. 27,894,245 (2020: 35,063,393) i.e. is Rs. 19.61 /share (2020: (24.65 /), whereas forceable sale value of these shares are Nil (2022: Nil)

9.2 **Sui Northern Gas Pipelines limited**

663 (2022: 663) Ordinary shares of Rupees 10 each		**22,681**	32,211
Add: Fair Value Adjustment	9.2.1	**3,421**	(9,529)
		26,102	22,681

	June 2023 Rupees	June 2022 Rupees
9.2.1 Fair Value Adjustment		
Opening Balance	**12,495**	22,024
Deficit on re-measurement	**3,421**	(9,529)
	15,916	12,495
Adjustment on disposal of investment:		
Fair value reserve transferred to retained earnings	-	-
	15,916	12,495

10 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land	Building on Leasehold Land	Plant and Machinery	Furniture and Fixtures	Office Equipment	Vehicles	TOTAL
	----------	----------	----------	Rupees	----------	----------	----------
As at 01 July 2022							
Cost	2,800,000	20,303,281	50,217,922	582,842	943,878	-	74,847,923
Accumulated depreciation	-	(14,705,555)	(46,976,132)	(546,281)	(881,219)	-	(63,109,187)
Net book value	2,800,000	5,597,726	3,241,790	36,561	62,659	-	11,738,736
Period ended 30 Jun 2023							
Opening net book value	2,800,000	5,597,726	3,241,790	36,561	62,659	-	11,738,736
Additions/Revaluation	200,000	3,102,274	81,711	-	-	-	3,383,985
Adjustment							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Disposal						-	
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Depreciation charge	-	(408,652)	(330,962)	(3,656)	(6,266)	-	(749,536)
Closing net book value	3,000,000	8,291,348	2,992,539	32,905	56,393	-	14,373,185
As at 30 Jun 2023							
Cost	3,000,000	23,405,555	50,299,633	582,842	943,878	-	78,231,908
Accumulated depreciation	-	(15,114,207)	(47,307,094)	(549,937)	(887,485)	-	(63,858,723)
Net book value	3,000,000	8,291,348	2,992,539	32,905	56,393	-	14,373,185
Annual rate of depreciation	-	5%	10%	10%	10%	20%	

10.1 Building and Plant & Machinery were revalued by Fairway Water Property Valuers & Surveyors (Pvt.) Ltd as on September 22, 2022 on the basis of Current replacement values. Previously, it was revalued by M/s Zafar Iqbal & Company on June 22, 2016. Revaluation was credited to surplus on revaluation of Fixed Assets account.

If there had been no revaluation, the cost, accumulated depreciation and book value of the revalued assets at December 31, 2022 would have been as follows:

	June 2023			June 2022		
Particulars	Cost	Accumulated Depreciation	Written Down Value	Cost	Accumulated Depreciation	Written Down Value
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Building on Leasehold Land	**10,571,710**	**6,889,261**	**3,682,449**	10,571,710	6,695,448	3,876,262
Plant and Machinery	**31,398,708**	**13,614,211**	**17,784,497**	31,398,708	11,638,156	19,760,552
R u p e e s	**41,970,418**	**20,503,473**	**21,466,945**	41,970,418	18,333,604	23,636,814

10.2 The depreciation charged for the year has been allocated as follows:

	Jun 2023 Rupees	June 2022 Rupees
Cost of sales	-	-
Administrative expenses	**749,536**	665,839

10.3 Realisable value of property, plant and equipment as on June 30, 2023 is Rupees 14,373,185/- (2022:11,738,736 /-) Forced sale value for year ended June 30, 2022 is based on revaluation report by "M/s Fairwater Property Valuers & Surveyors" who issued their report as on September 22, 2022. Management has strong opinion that there was no material difference in forced sale value after June 30, 2022 to Septermber 30, 2022.

10.4 Particular of Immovable property (i.e land and building) in the name of Company are as follows

Location	Usage of immovable property	Total area
Gadoon , Amazai, Industrial Estate, Swabi, KPK	Manufacturing facility	1.0 Acre

11.0	Trade and Other Payables	June 2023 Rupees	June 2022 Rupees
	Unsecured :		
	Trade creditors and other payables	**358,791**	377,223
	Income tax deducted at source - payable	**12,844**	7,276
	Sales tax payable	**10,010**	-
	Accrued expenses	**193,140**	133,841
	Payable to sponsors and associates	**2,690,056**	2,690,056
		3,264,841	3,208,396

12.0	ACCRUED MARK UP		
	Markup on loan from associated concern	**24,064,632**	14,814,200
		24,064,632	14,814,200

12.1 This is Interest payable on loan received from Associated Concern as explained in note13.

12.2 There is no difference in coupon rate and effective interest rate, therfore , winding or unwinding in not applicable

13.0	Payable to associated company		
		43,919,925	23,785,350

13.1 Detail of Associated concern/ Related Parties

Name of Associated Concerns	Nature of transaction	Relationship	Opening	During the year	Closing
Capital Industries Enterprises (pvt) ltd	Against working capital	Associated company	48,705,584	(4,785,659)	43,919,925
			48,705,584	**(4,785,659)**	**43,919,925**

14.0	PAYABLE TO DIRECTORS		
		33,491,574	33,491,574

This is interest free contractual loan, payable on demand by the company, without any agreed definite time of repayment from following directors:-

Name of Director	Designation	Opening Balance	Transactions	Closing Balance
Mr. Mudassar Iftikhar	Director	33,491,574	-	**33,491,574**
			43,919,925	48,705,584

15.0	PROVISION FOR TAXATION	June 2023 Rupees	June 2022 Rupees
	Opening Balance	**-**	-
	Taxation for the year	**235,212**	-
	Paid / Adjusted against advance income tax	**-**	-
		235,212	-

15.1 Current status of Tax assessment is completed under self assesment scheme.

15.2 Audit selection for the tax year 2010 u/s 177is challanged by us before honourable Lahore High Court and the proceeding are stopped by th elearned High Court. Favourable outcome is expected. No quantumof tax involved.

15.3 Order u/s 122(5) passed by Additional Commissioner of tax year 2010 & 2011 are annuulled by the commissioner IR (A).

15.4 No any unfavourable outcome is expetced.

15.5 No other matter which is feel to aware of by the users of financial statements

16.0 ISSUED, SUBSCRIBED & PAID UP CAPITAL

2023	2022	Number of shares		
12,000,000	**12,000,000**	Ordinary shares of Rupees 10 each fully paid up in cash	**120,000,000**	120,000,000
12,000,000	**12,000,000**		**120,000,000**	120,000,000

16.1 **4,336,242** (2022 : 4,336,242 Nos.) Ordinary shares of Rs 10/- each were held by Associated companies at the year end. Detail is as follows:

		June 2023 Nos.	June 2022 Nos.
Diamond Industries Limited	31.29	**3,754,240**	3,754,240
Diamond Corporation (Private) Limited	1.47	**176,000**	176,000
Revaluation surplus on land		**2,000,000**	1,800,000
Surplus on Buildings			
Opening balance		**9,731,569**	9,731,569
Add: Revaluation during the year	17.1	**3,102,274**	-
Total revaluation surplus on building		**12,833,843**	9,731,569
Less: Incremental depreciation charged in previous years		**6,882,700**	6,732,760
Less: Incremental depreciation charged in current years		**258,460**	149,940
		7,141,160	6,882,700
Revaluation surplus on building net off incremental depreciation		**5,692,683**	2,848,869
Surplus on Plant and Machinery			
Opening balance		**18,819,214**	18,819,214
Add: Revaluation during the year	17.1	**81,711**	-
Total revaluation surplus on plant and machinery		**18,900,925**	18,819,214
Less: Incremental depreciation charged in previous years		**17,630,430**	17,498,343
Less: Incremental depreciation charged in current years		**124,989**	132,087
		17,755,419	17,630,430
Revaluation surplus on plant and machinery net off incremental depreciation		**1,145,506**	1,188,784
Closing balance		**8,838,189**	5,837,653

17.1 Building and Plant & Machinery were revalued by Fairwater Property Valuers & Surveyors (Pvt.) Ltd as on September 22, 2022. Previously it was revalued by M/S Zafar Iqbal & Company on June 22, 2016 on the basis of current replacement values. Revaluation surplus was credited to surplus on revaluation of Fixed Assets account.

18.0 CONTINGENCIES AND COMMITMENTS

I. HIGH COURT OF SINDH AT KARACHI

a. First Capital ABN Amro Equities etc. Vs Iftikhar Shaffi etc.
(Suit No. 808/2000)

M/s First Capital ABN AMRO Equities (Pakistan) Ltd and others filed a Suit for Recovery of Rs.552,344,051/- against Mr. Iftikhar Shaffi and five others including this Company before the High Court of Sindh at Karachi. The case is now at the stage of evidence.

b. SCIL Vs Arif Habib and others.
(Suit No. 639/2003)

The company filed a Suit for Declaration, Injunction and Recovery of Damages amounting to Rs.1,701,035,843/- against Arif Habib Ex-Chairman Karachi Stock exchange (KSE) and others before High Court of Sindh at Karachi. The case is still pending adjudication before the Court.

c. Aqeel Karim Dhedhi Securities Vs Iftikhar Shaffi etc.
(Suit No 607/2003)

M/s. Aqeel Karim Dhadhi Pvt Ltd filed a Suit for Recovery of Rs.80.297 million against Mr. Iftikhar Shaffi and five others including this company before High Court of Sindh at Karachi and the Suit is still pending.

d. Muhammad Hanif Moosa Vs Iftikhar Shaffi etc.

(Suit No. 843/2003)

Muhammad Hanif Musa Ex Member KSE filed a Suit for Recovery, Damages, Declaration and Injunction amounting to Rs.447,587,159/- against Mr. Iftikhar Shaffi and five others including this company and the Suit is still pending.

			June 2023 Rupees	June 2022 Rupees
19.0	**SALES**			
	Revenue from contracts with customers:			
	Sales		**22,064,989**	**-**
	Less: Sales Tax		**(3,248,008)**	**-**
			18,816,981	**-**
20.0	**COST OF SALES**			
	Purchases		**9,048,649**	**-**
	Salaries, Wages & Benefits		**1,720,000**	**-**
	Fuel & Power		**1,733,964**	**-**
	Insurance		**-**	
	Misc. Expenses		**10,000**	**-**
	Depreciation	8.2	**-**	**-**
			12,512,613	**-**
	Add : Finished Goods-Opening		**-**	**-**
			12,512,613	**-**
	Less : Finished Goods-Closing		**(789,433)**	**-**
			11,723,180	**-**
20.1	This includes gratuity amounting to Rs. Nil/- (2022: Rs. Nil/-)			
21.0	**ADMINISTRATIVE EXPENSES**			
	Salaries, Wages & Benefits		**-**	240,000
	Communications		**1,240**	78,600
	Fees & Taxes		**279,643**	1,461,485
	Utilities		**-**	1,617,310
	Insurance		**135,567**	135,999
	Printing & Stationery		**30,533**	56,384
	Depreciation		**749,536**	665,839
			1,196,519	4,255,617
21.1	This includes gratuity amounting to Rs. Nil/- (2022: Nil)			
II.	**LAHORE HIGH COURT LAHORE**			
22.0	**OTHER OPERATING INCOME**		**326**	151
	Interest income		**326**	151
23.0	**OTHER OPERATING EXPENSES**			
	Auditors' Remuneration		**193,140**	193,140
			193,140	193,140
23.1	**Auditors' Remuneration**			
	Audit Fee		**135,000**	135,000
	Half yearly review		**31,500**	31,500
	Punjab sales tax		**26,640**	26,640

			June 2023 Rupees	June 2022 Rupees
24.0	**TAXATION**			
	Current tax for the year	25.1	**235,212**	-
	Deferred tax		**-**	-
	Tax for prior periods		**-**	-
	Share of Tax of associated company		**3,574,204**	1,388,939
			3,574,204	1,388,939

25.2 Relationship between tax expenses and accounting profit

No reconciliation is required between the accounting profit and tax profit in the current year since the company has no income tax provision due to fact explained in 23.1.

26.0	**EARNING/ (LOSS) PER SHARE-BASIC**		**June 2023**	**Jun-22**
	(Loss) for the year after taxation	(Rupees)	**3,129,911**	(10,404,204)
	Average No. of ordinary shares	(Numbers)	**12,000,000**	12,000,000
			0.26	(0.87)

No figure for diluted earning per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earning per share when exercised.

27.0	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		**6,939,328**	(9,015,265)
	Adjustments for:			
	Depreciation on property, plant and equipment		**749,536**	665,839
	Impairment/(Reversal) of impairment on long term investment		**(10,986,154)**	10,986,154
	Share of profit/(loss) of associated company		**500,612**	(11,873,375)
	Finance cost		**9,250,682**	5,453,881
	Working capital changes	27.1	**(1,975,624)**	135,956
			(2,460,948)	5,368,455
			4,478,380	(3,646,811)

27.1 Working Capital Changes

(Increase) / Decrease in Current Assets			
Stock-in-trade		**(789,433)**	-
Trade debts		**(2,315,371)**	-
Loans and Advances		**(19,879)**	200,000
Short term prepayments		**-**	-
Other Receivables		**1,092,614**	(286,567)
		(2,032,069)	(86,567)
Increase / (Decrease) in Current Liabilities			
Trade and Other Payables		**56,445**	222,523
Changes in Working Capital		**(1,975,624)**	135,956

The Lahore Stock Exchange filed suit No. 297 of 2003 against Mr. Iftikhar Shaffi and five others including this company for recovery of Rs. 190,704,373/- The said case was consolidated with the suit titled as "Iftikhar Shaffi Vs LSE & Others" and the proceedings of joint evidence were being conducting in the said cases. An order dated 13-9-2013 was passed by the Civil Judge refusing an application for summoning of certain witnesses filed by Mr. Iftikhar Shaffi and the said order was challenged in the Lahore High Court through Civil Revision No. 2928/2014 and the Honorable Judge was pleased to issue the notice to the other side and in the meanwhile proceedings of the civil cases are pending for summoning of records.

V. PESHAWAR HIGH COURT

a. Deputy Registrar of companies Vs SCIL (Winding Up Petition)Commitments

The Deputy Registrar Companies has initiated the winding up proceedings through C.C1/2018 on the basis suspension of its business since 2014. In 2005 the company was dragged into frivolous litigation by ABL on account of which the business of the company suffered immensely. In the recentpast, the ABL and the company has mutually entered into a settlement and consequently all pending cases have been withdrawan by bothsides. The management of the company is now vigorously trying for revival of the company. The next date in winding up petition is fixed for 16-10-2023 for aurguments.

Commitments

There are no commitments in respect of outstanding Letters of Credit.

The management o f the company is strongly and vigorously contesting all these cases and there is every likelihood that these cases will be decided in favour of the Company soon.

28 FINANCIAL RISK MANAGEMENT

28. 1Financial risk factors

The Company's activities expose it to a variety of financial risks: market risks (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

28.1.1 Market risk

(I) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

` The company is not exposed to currency risks.

(ii) Sensitivity analysis

if the functional currency, at reporting date, had weakend / strengthened by 5% against the foreign currency with all other variable held constant, the impact on profit after taxation would be nil.

(iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

(iv) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is geared only to the extent of borrowings as mentioned in **Note 26** and since these borrowings are under litigation so for the time being the company is exposed to the interest rate risk only to the extent of calculation of mark-up on loan from related party. Financial instruments at variable rates expose the company to cash flow interest rate risk. Financial instruments at fixed rate expose the company to fair value interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

	2023 Rupees	2022 Rupees
Floating rate instruments		
Financial liabilities		

Short Term Borrowings - Un secured	77,411,499	82,197,158

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

The Company does not account for any variable rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

28.1.2Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Rating			2023	2022
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**21,453**	21,425
Allied Bank Limited	A1+	AAA	PACRA	**-**	-
Silk Bank	A-2	A-	JCR-VIS	**878,058**	1,441,549
Askari Bank Limited	A1+	AA+	PACRA	**2,094**	2,094
Bank Alfalah Limited	A1+	AA+	PACRA	**970**	970
Summit Bank		Suspended		**2,698**	2,698
				905,273	1,468,736

The Company's exposure to credit risk and impairment losses related to trade debts is Nil due to no trade receivable during the year.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

28.1.3Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The company manages liquidity risk by maintaining sufficient cash. The company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. Following are the contractual maturities of financial liabilities. The amounts disclosed in the table are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 Jun 2023

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
			(Rupees)			
Non-derivative financial liabilities:						
Short Term Borrowings	-	-	-	-	-	-
Unclaimed Dividend	-	-	-	-	-	-
Payable to Director & Sponsors	**33,491,574**	**33,491,574**	**33,491,574**	-	-	-
Payable to associated company	**43,919,925**	**43,919,925**	**43,919,925**	-	-	-
Mark-up on Borrowings	**24,064,632**	**24,064,632**	**24,064,632**	-	-	-
Trade and Other Payables	**3,264,841**	**3,264,841**	**3,264,841**	-	-	-
	104,740,972	**104,740,972**	**104,740,972**	**-**	**-**	**-**

Contractual maturities of financial liabilities as at 30 June 2022

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
			(Rupees)			
Non-derivative financial liabilities:						
Short Term Borrowings	-	-				
Unclaimed Dividend	-	-	-	-	-	-
Payable to Director & Sponsors	33,491,574	33,491,574	33,491,574	-	-	-
Payable to associated company	48,705,584	48,705,584	48,705,584			
Mark-up on Borrowings	14,814,200	14,814,200	14,814,200			
Trade and Other Payables	3,208,396	3,208,396	3,208,396	-	-	-
	100,219,754	**100,219,754**	**100,219,754**	**-**	**-**	**-**

28.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in to levels 1 to 3 based on the degree to which fair value is observable:

28.3 Financial instruments by categories

	Fair value through profit & loss account	Loans and receivables	Available for sale	Total
	Rupees	Rupees	Rupees	Rupees
As at 30 June 2023				
Assets as per balance sheet				
Long Term Investment - Equity Method	**36,359,081**	**-**	**-**	**36,359,081**
Long Term Investment - Available for sale	**-**	**-**	**26,102**	**26,102**
Long Term Deposits	**-**	**223,560**	**-**	**223,560**
Loans and Advances	**-**	**645,614**	**-**	**645,614**
Other Receivables	**-**	**1,849,847**	**-**	**1,849,847**
Bank Balances	**-**	**905,273**	**-**	**905,273**
	36,359,081	**3,624,294**	**26,102**	**40,009,477**

Financial liabilities at amortized cost

	Rupees
Liabilities as per balance sheet	
Long Term Loan from associated concern	**43,919,925**
Payable to Director	**33,491,574**
Mark-up on loan from associated concern	**24,064,632**
Trade and other payables	**3,264,841**
	104,740,972

	Fair value through profit & loss account	Loans and receivables	Available for sale	Total
	Rupees	Rupees	Rupees	Rupees
As at 30 June 2022				
Assets as per balance sheet				
Long Term Investment - Equity Method	32,446,085	-		32,446,085
Long Term Investment - Available for sale			22,681	22,681
Long Term Deposits		223,560		223,560
Loans and Advances		542,238		542,238
Other Receivables		2,942,461		2,942,461
Bank Balances		1,468,736		1,468,736
	32,446,085	**5,176,995**	**22,681**	**37,645,760**

	Financial liabilities at amortized cost
	Rupees
Liabilities as per balance sheet	
Long Term Loan from associated concern	48,705,584
Payable to Director & Sponsors	33,491,574
Mark-up on loan from associated concern	14,814,200
Trade and other payables	3,208,396
	100,219,754

29 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(I) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2023	Level 1	Level 2	Level 3	Total
	.....Rupees.....			
Financial assets				
Fair value through profit & loss financial asset	**36,359,081**	**-**	**-**	**36,359,081**
Available for sale financial asset	**26,102**	**-**	**-**	**26,102**
Total financial assets	**36,385,183**	**-**	**-**	**36,385,183**

Recurring fair value measurements At 30 June 2022	Level 1	Level 2	Level 3	Total
	.....Rupees.....			
Financial assets				
Fair value through profit & loss financial asset	32,446,085	-	-	32,446,085
Available for sale financial asset	22,681	-	-	22,681
Total financial assets	32,468,766	-	-	32,468,766

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii)Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

30 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to be safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.
In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.
Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is

calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debt.

	2023 Rupees	2022 Rupees
Total borrowings	**77,411,499**	82,197,158
Cash and bank balances	**(1,620,419)**	(572,196)
	75,791,080	81,624,962
Total equity	**(50,683,575)**	(39,807,975)
	25,107,505	41,816,987
Gearing ratio	**301.87%**	195.20%

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

No remuneration/other allowances were paid to the Directors (No. 6) of the company. The Chief Executive of the company is only entitled to a fixed remuneration, the detail of which is as follows:

	2023 Rupees	2022 Rupees
Remuneration	**-**	-

32 NUMBER OF EMPLOYEES

Number of employees as at year end	**8**	1

Other officers of the Company like Company secretary, Chief Financial officer etc. are not drawing salary.

	2023	2022
33 INSTALLED CAPACITY		
DOP PLANT		
Installed Capacity Per Annum (Tons)	**17,500**	17,500
Actual Capacity Utilized (Tons)	**-**	-
LITH - DILTEX BINDER PLANT AND SUPER BOND		
Installed Capacity Per Annum (Tons)	**2,060**	2,060
Actual Capacity Utilized (Tons)	**-**	-

Non utilization of DOP Plant and Diltex Binder Plant is mainly due to closure of manufacturing & trading activities & operations.

34 RECLASSIFICATION OF EXPENSES	Rupees	Rupees
The following manufacturing expenses are reclassified as administrative expenses:		
Salaries, Wages & Other Benefits	**-**	240,000
Utilities	**-**	1,617,310
Insurance Expenses	**135,567**	135,999
Depreciation	**749,536**	665,839
	885,103	2,659,148

34.1 The manufacturing expenses are reclassified as administrative expenses because the production activities are not carried on during the period.

35 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 except in circumstances where it is in the interest of the Company to do so with prior approval of the board of directors.

The related parties comprise associated companies, key management personnel and staff retirement fund. Detail of transactions with the related parties whether especially disclosed elsewhere in these financial statements are as follows:

	2023	2022
	(Rupees in Million)	
Loan from Associated Concern		
Capital Industrial Enterprises (Private) Limited	**(43.920)**	**(23.785)**
Mark-up on loan from Associated Concern		
Capital Industrial Enterprises (Private) Limited	**(24.065)**	**(14.814)**
Loan from Director	**(33.492)**	**(33.492)**

36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 03 October**, 2023** by the board of directors of the company.

37 CORRESPONDING FIGURES

Corresponding figures have been rearranged wherever necessary for the purpose of comparison.

38 GENERAL

Figures have been rounded off to nearest Rupee, if required.



Chief Executive



Chief Financial Officer



Director

Operating Highlights

		2017	2018	2019	2020	2021	2022	2023
KEY INDICATORS								
OPERATING								
GROSS MARGIN	%							37.70%
OPERATING MARGIN	%							-18.85%
PRE TAX MARGIN	%							37%
NET MARGIN	%							17%
PERFORMANCE								
RETURN ON ASSETS	%	0.1110	(2.6867]	(0.1301)	(0.1654)	(0.0831)	(0.2100)	0.0541
ASSETS TURNOVER	Times							
FIXED ASSETS TURNOVER	Times							
INVENTORY TURNOVER	Times							
RETURN ON EQUITY	%	235.338S	(105.5826)	(17.3870)	(15.7008)	(9.0475)	(15.9502)	(0.0559)
RETURN ON CAPITAL EMPLOYED	%	s5.1305	(119.0192)	(2s.48s9)	(18.5110)	(9.3240)	(17.7874)	(0.1239)
LEVERAGES								
DEBT:EQUITY	Times	1.7299	(1.1602)	(2.0417)	(1.7487)	(1.9453)	(1.6218)	(1.8120)
LIQUIDITY								
CURRENT	Times	0.0652	0.0463	0.0439	0.0428	0.0435	0.0509	0.0651
QUICK	Times	0.0652	0.0463	0.0439	0.04Z8	0.0435	0.0509	0.0577
VALUATION								
EARNING PER SHARE(PRE TAX)	Rs.	0.7S75	(4.8966)	(0.6152)	(0.6051)	(0.3093)	(0.7513)	0.5783
EARNING PER SHARE(AFTER TAX)	Rs.	0.4987	(4.9693)	(0.5176)	(0.5973)	(0.3463)	(0.8670)	0.2608
BREAK UP VALUE	Rs.	0.2119	(4.7066)	(2.9769)	(3.8043)	(3.8273)	(4.7101)	(0.4667)
HISTORICAL TRENDS								
TRADING RESULTS								
TURNOVER	Rs.	-	-	-	-	-		18,816
GROSS PROFIT/(LOSS)	Rs.	-	-	-	-	-		7,093
OPERATING PROFIT	Rs.	(2,866)	(3,544)	(2,563)	(2,451)	(2,492)	(4,255)	(1,196)
PROFIT/(LOSS) BEFORE TAX	Rs.	9,089	(58,759)	(7,383)	(7,261)	(3,712)	(9,015)	6,939
PROFIT/(LOSS) AFTER TAX	Rs.	5,984	(59,632)	(6,211)	(7,168)	(4,155)	(10,404)	3,129
FINANCIAL POSITION								
SHAREHOLDERS FUNDS	Rs.	2,543	(56,479)	(35,722)	(45,652)	(45,928)	(56,521)	(56,002)
PROPERTY, PLANT AND EQUIPMENT	Rs.	15,692	14,766	13,912	13,127	12,405	11,738	14,373
NET CURRENT ASSETS	Rs.	(40,803)	(68,251)	(73,3S2)	(79,022)	(85,878)	(95,114)	(98,147)
LONG TERM ASSETS	Rs.	51,064	18,B82	44,384	39,794	46,070	44,431	50,981
LONG TERM LIABILITIES	Rs.	-	-	-	-	-	-	-
TOTAL ASSETS	Rs.		22,195	47,751	43,325	49,976	49,536	57,811
TOTAL CURRENT ASSETS	Rs.		3,314	3,368	3,531	3,906	5,105	6,829

FORM 34

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company **SHAFFI CHEMICAL INDUSTRIES LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2023**

	------Shareholdings------		
2.2 No. of Shareholders	**From**	**To**	**Total Shares Held**
302	1	100	21,943
329	101	500	156,832
113	501	1,000	109,648
170	1,001	5,000	513,851
58	5,001	10,000	466,683
20	10,001	15,000	251,508
6	15,001	20,000	119,000
5	20,001	25,000	110,502
3	25,001	30,000	87,000
2	30,001	35,000	63,500
3	35,001	40,000	117,000
2	55,001	60,000	119,500
2	60,001	65,000	125,500
1	90,001	95,000	92,223
1	95,001	100,000	100,000
1	110,001	115,000	113,000
1	125,001	130,000	130,000
1	175,001	180,000	176,000
1	195,001	200,000	200,000
1	210,001	215,000	214,950
1	250,001	255,000	255,000
1	390,001	395,000	394,500
1	415,001	420,000	416,360
1	545,001	550,000	547,960
1	680,001	685,000	685,000
1	750,001	755,000	752,300
1	2,005,001	2,010,000	2,006,000
1	3,650,001	3,655,000	3,654,240
1,030			12,000,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	1,296,950	10.8079%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	4,336,242	36.1354%
2.3.3 NIT and ICP	500	0.0042%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	--	--
2.3.5 Insurance Companies	--	--
2.3.6 Modarabas and Mutual Funds	--	--
2.3.7 Shareholders holding 10% or more	5,760,240	48.0020%
2.3.8 General Public		
a. Local	6,349,133	52.9094%
b. Foreign	0	0.0000%

Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2023

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	DIAMOND CORPORATION (PVT) LTD.	176,000	1.4667
2	DIAMOND HOME TEXTILE (PVT) LTD.	255,000	2.1250
3	DIAMOND PRODUCTS (PVT) LIMITED	130,000	1.0833
4	DIAMOND INDUSTRIES LIMITED	3,754,240	31.2853
5	CAPITAL INDUSTRIAL ENTERPRISES (PVT) LTD (CDC)	21,002	0.1750
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. IFTIKHAR A. SHAFFI	899,950	7.4996
2	MR. MUHAMMAD SAMEER	500	0.0042
3	MR. HASHIM ASLAM BUTT	500	0.0042
4	MR. MOHIB HUSSAIN	500	0.0042
5	MR. QAISER SALEEM KHAN	500	0.0042
6	MR. IMRAN KABIR	500	0.0042
7	MRS. SEEMA IFTIKHAR	394,500	3.2875
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		-	-
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	DIAMOND INDUSTRIES LTD.	3,754,240	31.2853
2	MR. SHARIQ IFTIKHAR	2,006,000	16.7167
3	MR. IFTIKHAR A. SHAFFI	899,950	7.4996
4	MR. MUBASHAR IFTIKHAR	752,300	6.2692

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
	NIL		

Dear Sir, please check at your end

FORM OF PROXY SHAFFI CHEMICAL INDUSTRIES LIMITED

I/We _____

of _____
being a member of SHAFFI CHEMICAL INDUSTRIES LIMITED, hereby appoint

_____ of _____ another member of the Company or failing him/her

_____of_____ another member of the Company (being a member of the company) as my/our proxy to attend and vote for and on my/our behalf, at the Annual General Meeting of the Company to be held at its registered office, Plot # 2, Gadoon Amazai Industrial Estate Estate, Swabi Khyber Pakhtoonkhwa on Friday 27th October, 2023 at 10:00 a.m. and any adjournment thereof.

As witnessed given under my/our hand(s) _____ day of _____ 2023.

1) Witness:

Signature _____
Name _____

Signature of Member
Address _____

_____

2) Witness:
Signature _____
Name _____
Address _____
_____

Shares Held _____
Shareholder's Folio No._____
CDC A/c No. _____
CNIC No. _____

Note :

- Proxies, in order to be effective, must be received at the Company's Regist rar office, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

- CDC shareholders, entitled to attend and vote at this meeting, must bring with them their Computerised National Identity Cards/Passport in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

- **For CDC Account Holders / Corporate Entities**

  In addition to the above the following requirements have to be met.

(i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be stated on the form.
(ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
(iii) The proxy shall produce his original CNIC or original passport at the time of the meeting.

In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature hall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی کا فارم

شفیع کیمیکل انڈسٹریز لمیٹڈ

میں/ہم _____ _____

کے _____ _____

شفیع کیمیکل انڈسٹریز لمیٹڈ کا ممبر ہونے کے ناطے بطور پراکسی تقرر کرتا ہوں/ کرتے

کے _____ کے _____

کمپنی سالانہ اجلاس عام جو کہ 27 اکتوبر 2023 بروز جمعہ صبح 10 بجے ہمارے رجسٹرڈ آفس، پلاٹ نمبر، 2 گدون انازے انڈسٹریل اسٹیٹ اسٹیٹ صوابی خیبر پختونخواہ میں منعقد ہو گا میں کمپنی کا کوئی روسرا ممبر (کمپنی کے ممبر ہونے کے ناطے) جو میری/ہماری پراکسی کے طور پر شرکت کرے گا اور میری /ہماری جانب سے ووٹ دے گا۔

گواہی میں نے/ہم نے بقلم خودی _____ بروز _____ 2023 _____

1) گواہ

دستخط _____

نام _____

پتہ _____

_____

ممبر کے دستخط

دستخط _____ زیر ملکیت حصص _____

نام _____ شیئر ہولڈر کا فولیو نمبر _____

پتہ _____ سی ڈی سی اے/سی نمبر _____

_____ کمپیوٹرائز شناختی کارڈ نمبر _____

نوٹ:

پراکسیز کو موثر بنانے کے لئے دستخط شدہ تصدیق شدہ پراکسیز کا کمپنی رجسٹرار کے دفتر میں اجلاس شروع ہونے سے 48 گھنٹے قبل پہنچ جانا ضروری ہے

سی ڈی سی شیئر ہولڈرز جو کہ اس اجلاس عام سے شرکت اور ووٹ دینے کا حق رکھتے ہیں، اپنی شناخت کی تصدیق کے ہمراہ اپنا اصل کمپیوٹرائز ڈ شناختی کارڈ/پاسپورٹ لانا ضروری ہے اور پراکسی کی صورت میں اس کے /اس کی کمپیوٹرائز ڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل جمع کروانی ضروری ہے۔ کارپوریٹ ممبرز کے نمائندے اپنے ہمراہ کاغذات لائیں گے جو اس مقصد کے لئے درکار ہیں۔

کارپوریٹ اداروں/سی ڈی سی اکاؤنٹ ہولڈرز کے لئے درج بالا کے ساتھ ساتھ نیچے دی گئی ضروریات بھی پوری کرنا ضروری ہے

(i) پراکسی فارم تصدیق دو افراد سے کرانا ہوگی، جن کے نام، پتے اور کمپیوٹرائز ڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

(ii) مالکان کے کمپیوٹرائز ڈ قومی شناختی کارڈ یا پاسپورٹ اجلاس کے وقت فراہم کرے گا۔

(iii) پراکسی اپنا اصل کمپیوٹرائز ڈ قومی شناختی کارڈ یا اصل پاسپورٹ اجلاس کے وقت فراہم کرے گا۔

کارپوریٹ ادارہ ہونے کی صورت میں کمپنی کو بورڈ آف ڈائریکٹرز زریں روشن/پاور آف اٹارنی کے ساتھ نمونے کے دستخط جمع کروانے ہوں گے (جب تک یہ پہلے فراہم نہیں کئے گئے)۔