CONTENTS

CORPORATE PROFILE

BOARD OF DIRECTORS

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

COMPANY SECRETARY

· Mr. Zahoor Ahmad

CHIEF FINANCIAL OFFICE

· Mr. Munawar Hussain

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

LEGAL ADVISOR

· A.K. Minhas Law Associates

AUDITORS

TABUSSUM SALEEM & CO.
Office No. 1, 3rd Floor, Madinah Heights, 87-E, Moulana Shoukat Ali Road,
Johar Town Lahore
Tel: 92-42-35173258
E.mail: mataabussum@yahoo.com

BANKERS

· Allied Bank Limited
· Askari Commercial Bank Limited
· Bank Alfalah Limited
· Habib Metropolitan Bank Limited
· Silk Bank Limited

REGISTERED OFFICE

· Plot No. 2, Gadoon Amazai, Industrial Estate, Swabi, Khyber Pakhtoonkhwa
Tel: 0938-270696, 270697

FACTORY

· Plot No. 2, Gadoon Amazai, Industrial Estate, Swabi, Khyber Pakhtoon khwa
Tel: 0938-270697
E.mail: scil_gad@hotmail.com

PRINCIPLE OFFICE

· 23-Km, Multan Road, Mohlanwal, Lahore
Tel: 042-37540336-7
Fax: 042-37540335
E.mail: 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 Saturday 24th October, 2020 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 last Extraordinary General Meeting held on 30th December, 2019.

2. To receive, consider and adopt the Annual Audited Accounts of the Company together with the Auditors and Directors Reports thereon for the financial year ended June 30, 2020.

3. To appoint External Auditors for next financial year ending June 30, 2021 and to fix their remuneration. The retiring auditors being eligible, offered themselves for their reappointment. Audit Committee of the Board has also recommended for re-appointment of M/s Tabussum Saleem & Co. Chartered Accountants, Office No. 1, 3rd Floor, Madinah Heights, 87-E, Moulana Shoukat Ali Road, Johar Town, Lahore, to be appointed as auditors of the company for next financial year ending June 30, 2021.

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

BY ORDER OF THE BOARD

Lahore: 01-10-2020

ZAHOOR AHMAD
Company Secretary

Notes:

1. The share transfer books of the Company will remain closed from October 17, 2020 to October 24, 2020 (both days inclusive). Transfers received at the office of the Company's Registrars, Messrs CORPLINK (PVT) LTD, Wing Arcade, 1-K, Commercial Area, Model Town, Lahore by close of business on October 16, 2020, 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, 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.

Chairman's Review Report

I am delighted to share my views on occasion of presenting the annual report of the Company.
Shaffi Chemical Industries Limited ("the Company") has a seven member Board of Directors ("the Board") which comprises of individuals with diverse background having core competencies, knowledge and experience relevant to the business of the Company. The Composition of the Board and its Committees is in accordance with the requirements of Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board has developed a mechanism for annual evaluation of Board's own performance, Members of the Board and its Committees in compliance with the provisions of Listed Companies (Code of Corporate Governance) Regulations 2017. The performance of the Board, its Members and Committees was up to the mark as per defined performance evaluation mechanism.

During the financial year 2019-20, the Board successfully achieved targets and objectives set for the growth of the Company by performing the following functions:

- Ensured effective and robust oversight.
- Supervised overall corporate strategy, key financial performance indicators and other budgetary targets.
- Ensured the quality and appropriateness of financial reporting and the transparency of disclosures.
- Carried out risk assessment especially relating to regulatory and legal requirements, market trends, energy availability and cost, foreign exchange fluctuations, interest rate and liquidity.
- Reviewed effectiveness of internal control system.
- Evaluated the significant investments.
- Reviewed details of financing facilities availed by the Company.
- Ensured timely dissemination of price sensitive and inside information to relevant regulatory authorities.

Mr. Abdul Shakoor
Chairman of Board

DIRECTORS' REPOR

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, 2020.

FINANCIAL HIGHLIGHTS…2020

The financial results of the company are numerated below:

		(Rupees in Millions)
-	Sales-net	0.000
-	Gross Profit/(Loss)	0.000
-	Operating Expenses	(2.450)
-	Operating Profit / (Loss)	(2.450)
-	Profit/(Loss) before Taxation	(7.261)
-	Taxation	(0.093)
-	Profit/(Loss) after Taxation	(7.167)

YEAR IN REVIEW:

As the company has suspended all its industrial activities, resulting in no sales & Gross Profit thereon, However company has incurred certain operating expenses resulting an operating Loss of Rs. (2.450) million as compared to Rs. (2.501) million of the preceding year and Profit /(Loss) after taxation is Rs. (7.167) million as against of Rs. (6.211) million of the corresponding year.

The company has settled all its liabilities towards Allied Bank Limited whereas on the basis of suspension of company's business activities, petition for winding up the company has been filed with Hon'ble High Court Peshawar by deputy registrar of companies Peshawar, which is being contested vigorously by the company. However in the interest of minority shareholders, it is more feasible to delist the company and buy back shares from its minority shareholders. The management is seriously getting efforts to expedite the matter for voluntary delisting of company and to buy back shares from its minority shareholders as soon as possible.

AUDITORS REPORT:

The auditors has issued qualified report for the year 30.06.2020 as the company has paid all its outstanding liabilities of ABL and all pending litigations with ABL has been withdrawn by the both parties. With respect to other legal disputed cases, these have explained comprehensively 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 / (loss) per share for the year ended 30^{th} June, 2020 is Rs. (0.60) compared to Rs. (0.52) per share for the preceding year.

PATTERN OF SHAREHOLDING:

Pattern of shareholding is annexed to this report.

BOARD MEETINGS:

Five meetings of Board of Directors were held during the year ended June 30, 2020 and the attendance of the Directors is as follows:

S.#	Name	Position	Attendance
1.	Mr. Iftikhar Shaffi	Chief Executive	05
2.	Mr Muhammad Sameer	Director	05
3.	Mr. Hashim Aslam Butt	Director	04
4.	Mr Mohib Hussain	Director	05
5.	Mr. Abdul Shakoor	Director	04
6.	Mr Qaiser Saleem Khan	Director	04
7.	Mr. Imran Kabir	Director	05

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:

As the company has settled all the disputes with Allied Bank Limited and all the longstanding issued / litigations with ABL has also been settled amicably. However keeping in view the current economic condition prevailing in the country and sharp devaluation of Pak Rupee against US dollar, it is not feasible to restart it core business activities. Meanwhile for the sake of the interest of minority shareholders, the company is in process to delist and to buy back the shares and hope to complete it 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 Tabussum Saleem & 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 Tabussum Saleem & Co., Chartered Accountants as the statutory auditors of the Company for the financial year ending June 30, 2021. The Board of Directors has endorsed this recommendation.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The directors of the company are pleased to confirm that the Company has made compliance of provisions of the Code of Corporate Governance contained in the Rule Book of the Exchange issued by the Securities and Exchange Commission of Pakistan and there is no material departure from the best practice as detailed in the listing regulations. Our statements on corporate and financial reporting are as follows:

a) The Financial statements, prepared by the management of the Company present a fair state of affairs of the Company, results of its operations, cash flows and changes in equity;
b) Proper books of accounts of the Company have been maintained as required under the Companies Act, 2017;
c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
d) International Accounting / Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and there is no departure there from;
e) The system of internal control is sound and has been effectively implemented and monitored;
f) There are significant doubts about the company's ability to continue as a going concern.
g) Reasons for not considering the company as a going concern are explained under the head of Year in Review and Future Outlook.
h) Financial Highlights for the last 6-years are annex.

ACKNOWLEDGEMENT:

The Directors of your company join 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

IMRAN KABIR
Director

Lahore:- 30th September, 2020

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز: شفیع کیمیکل انڈسٹریز لمیٹڈ کے ڈائریکٹرز 30 جون 2020ء کو ختم ہونیوالے سال کیلیئے آپ کو ڈائریکٹرز رپورٹ مع آڈیٹرز رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی جھلکیاں 2020ء کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں :

	(روپے میلین میں)
سیلز	0.000
مجموعی منافع	0.000
انتظامی اور دیگر مدوں میں اخراجات	(2.450)
آپریٹنگ منافع	(2.450)
منافع (نقصان) قبل از ٹیکس منافع	(7.261)
ٹیکس	(0.093)
منافع/(نقصان) بعداز ٹیکس منافع	(7.167)

جائزہ سال میں:

جیسا کہ کمپنی کی صنعتی سرگرمیوں کو معطل کر دیا گیا ہے جسکے نتیجے میں کوئی سیلز اور مجموعی منافع نہیں ہے۔تاہم کمپنی نے کچھ آپریٹنگ اخراجات کئے ہیں جس کے نتیجے میں آپریٹنگ نقصان، پچھلے سال (2.501) میلین روپے کے مقابلے میں (2.450) میلین روپے ہے اور منافع/(نقصان) بعداز ٹیکس پچھلے سال سے (6.211) میلین روپے کے مقابلے میں (7.167) روپے ہے۔

کمپنی نے الائیڈ بینک لمیٹڈ کے تمام واجبات طے کر لئے ہیں، تاہم کمپنی کی کاروباری سرگرمیوں کی معطّلی کی بنیاد پر ڈپٹی رجسٹرار آف کمپنیز، پشاور کی طرف سے پشاور ہائیکورٹ میں کمپنی کے اختتام کی پٹیشن دائر کی گئی ہے۔ جس کو بھرپور لڑا جا رہا ہے۔اقلیتی حصص داروں کے مفاد میں کمپنی کو ڈی لسٹ اور اقلیتی حصص داروں سے حصص واپس لینا زیادہ موثر ہے۔مینجمنٹ نے کمپنی کی رضا کارانہ ڈی لسٹنگ کے معاملے کو تیز کرنے اور جلد از جلد اقلیتی حصص اداروں سے شیئرز واپس لینے کا فیصلہ کیا۔

آڈیٹرز رپورٹ: آڈیٹرز نے سال جون 2020ء کو الیفائیڈ رپوٹ جاری کی ہے جیسے کہ کمپنی نے ABL کے تمام واجبات ادا کر دیئے ہیں اور تمام سابقہ مقدمات دونو جماعتوں کی طرف سے خوش اسلوبی سے دستبردار کر لئے گئے ہیں۔دیگر تمام قانونی مقدمات کی جامعہ طور CONTINGENCIES AND COMMITMENTS کے عنوان میں وضاحت کی گئی ہے۔

وژن اور مشن:

کمپنی کے وژن اور مشن کی عکاسی کرتی رپورٹ منسلک ہے۔

فی حصص کمائی:

فی حصص آمدنی (نقصان) 30 جون 2020ء میں پچھلے سال (0.52) روپے فی حصص کے مقابلے میں (0.60) روپے فی حصص رہی۔

پیٹرن آف شیئر ہولڈنگ :

پیٹرن آف شیئر ہولڈنگ رپورٹ کے ساتھ منسلک ہے۔

بورڈ میٹنگ:

اختتامی سال 30 جون 2020ء میں بورڈ آف ڈائریکٹرز کی پانچ میٹنگ منعقد کی گئی ہیں۔اور ڈائریکٹرز کی حاضری درج ذیل ہے۔

نام	پوزیشن	حاضری کی تعداد
مسٹر افتخار شفیع	چیف ایگزیکٹو	05
مسٹر محمد سمیر	ڈائریکٹر	05
مسٹر ہاشم اسلم بٹ	ڈائریکٹر	04
مسٹر محبّ حسین	ڈائریکٹر	05
مسٹر عبدالشکور	ڈائریکٹر	04
مسٹر قیصر سلیم خان	ڈائریکٹر	04
مسٹر عمران کبیر	ڈائریکٹر	05

بورڈ کمیٹیز :

انسانی وسائل اور معاوضے کی کمیٹی بورڈ آف ڈائریکٹرز کی قائمہ کمیٹی ہیں۔

آڈٹ کمیٹی:

آڈٹ کمیٹی بورڈ نے تشکیل دی ہے اور اس میں تین ممبرز شامل ہیں جن میں سے دو نان ایگزیکٹو ڈائریکٹرز اور ایک

چیئر مین خود مختار ڈائریکٹر ہے۔ آڈٹ کمیٹی کے ممبران اس سالانہ رپورٹ کی کارپوریٹ پروفائل میں درج ہیں۔ کمیٹی متواتر مالیاتی بیانات کا جائزہ لیتی ہے اور کمیٹی موثر اور مضبوط اندرونی نظام کی موجودگی کو یقینی بناتی ہے۔ کمیٹی اندرونی محکمہ آڈٹ کی جاری کردہ رپورٹ کا جائزہ لیتی ہے اور آڈٹ مشاہدہ کی تعمیل کرتی ہے۔

آڈٹ کمیٹی بیرونی آڈیٹرز کی تقرری میں بی او ڈی کو سفارش کرنے کی ذمہ دار ہے۔ اور ان کے آڈٹ کے سلسلے میں ان کی آزادی کا جائزہ لینے کو یقینی بنانے کیلئے کمپنی کو فراہم کی گئی کسی بھی خدمات، استعفیٰ یا بیرونی آڈیٹرز کی برطرفی اور آڈٹ معاوضہ کے سوال پر غور کریگی۔

انسانی وسائل اور معاوضہ کی کمیٹی معاوضہ کے ساتھ ساتھ کمپنی کی طرف سے معروف افرادی قوت کی ضروریات پر غور کرنے اور حفاظتی اقدامات اور ماحولیاتی قیادت مستقل کرنے کی ذمہ دار ہے۔

کمیٹی بورڈ کو سفارش کرتی ہے کہ وہ انتظامی پالیسیوں، معاوضے کے معاملات (ریٹائرمنٹ کی سہولیات)، سی او او، سی ایف او، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ، کا جائزہ کرے، غور کرے اور منظور کرے۔ کمیٹی اس کے تمام ملازمین کیلئے معاوضے اور بہبود کے تمام عناصر کو یقینی بناتی ہے۔

منتقلی کی قیمتوں کا تعین :

کمپنی مکمل طور پر سٹاک ایکسچینجز کی فہرست سازی کے ضابطے میں موجود ٹرانسفر پرائسنگ کے بہترین طریقوں پر عمل پیرا ہے۔

مستقبل کے نقطہ نظر :

کمپنی، الائیڈ بینک لمیٹڈ کے ساتھ تصفیہ میں داخل ہوئی اور الائیڈ بینک لمیٹڈ کے ساتھ تمام دیرینہ مقدموں کو باہمی طور پر حل کیا گیا، تاہم موجودہ معاشی حالات، کرنٹ اکاؤنٹ خسارے کو کم کرنے والی سرکاری پالیسی اور بڑھتے ہوئے ڈالر ریٹ میں اضافے کی وجہ سے کمپنی کا اپنی کاروباری سرگرمیوں کو دوبارہ شروع کرنا ممکن نہیں ہے۔ اقلیتی حصص داروں کے مفاد میں کمپنی کو ڈی لسٹ اور اقلیتی حصص داروں سے حصص واپس لینا زیادہ موثر ہے۔ اور کمپنی اسے مستقبل قریب میں مکمل کرنے کی امید رکھتی ہے۔

ضابطہ اخلاق :

ہمارا ضابطہ، ایمانداری، سالمیت، صداقت و عزت کے اُصولوں کی بنیاد پر مشترکہ اقدار کے ایک سیٹ پر بنایا گیا ہے۔

شیئر ہولڈنگ کی طرز :

شیئر ہولڈنگ کی طرز اس رپورٹ میں منسلک ہے۔

آڈیٹرز :

موجودہ آڈیٹرز تبسم سلیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کمپنی کے آئندہ سالانہ اجلاس کے اختتام پر ریٹائر ہورہے ہیں۔آڈٹ کمیٹی نے تبسم سلیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کے دوبارہ آڈیٹرز کے طور پر سفارش کیا ہے۔مالی سال 2021ء کیلئے بورڈ آف ڈائریکٹرز نے اس سفارش کی تائید کی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک :

کمپنی کے ڈائریکٹرز خوش ہیں کہ کمپنی نے سیکورٹیز اور ایکسچینج کمیشن آف پاکستان کی طرف سے جاری ایکسچینج کی حکمرانی کی کتاب میں موجود کارپوریٹ گورننس کے کوڈ کی دفعات کی تعمیل کی ہے۔لسٹنگ قواعد وضوابط میں دی گئی بہترین پریکٹسیسز سے کوئی بڑا انحراف نہیں ہے۔کارپوریٹ اور مالیاتی رپورٹنگ پر ہمارے بیانات درج ذیل ہیں۔

اے)۔ کمپنی کے انتظامیہ کی طرف سے تیار کی گئی مالی بیانات، کمپنی کے اُمور کے ایک منصفانہ شکل ہے۔

بی)۔ کمپنی کے اکاؤنٹس کی کتابوں کو کمپنیز ایکٹ 2017 کی ضرورت کے مطابق رکھا گیا ہے۔

سی)۔ مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا جارہا ہے۔

ڈی)۔ انٹرنیشنل اکاؤنٹنگ، مالیاتی رپورٹنگ معیارات جوکہ پاکستان میں قابل عمل ہیں۔ مالیاتی بیانات کی تیاری میں پیروی کیئے گئے ہیں۔اور کوئی انحراف نہیں ہے۔

ای)۔ اندرونی کنٹرول کے نظام کو مضبوط اور موثر طریقے سے نافذ کیا گیا اور نگرانی کی گئی ہے۔

ایف)۔ کمپنی کے مستقبل میں چلنے کی صلاحیت کے بارے میں اہم شکوک وشبہات ہیں۔

جی)۔ کمپنی کے مستقبل میں نہ چلنے کی جوہات مالیاتی جھلکیوں اور جائزہ سال میں درج ہیں۔

ایچ)۔ گزشتہ چھ سال کی مالیاتی جھلکیاں منسلک ہیں۔

اعتراف :

آپ کی کمپنی کے ڈائریکٹرز مجھے ملے اور اُنہوں نے تمام عملے کے ارکان اور انتظامی ٹیم کا ان کی کوششوں پر شکریہ ادا کیا۔

بورڈ کی جانب سے۔

لاہور (30 ستمبر،2020ء)

افتخار شفیع
چیف ایگزیکٹو

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:- 30-06-2020

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 7
   b) Female 0

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. Abdul Shakoor Mr. Mohib Hussain
Female Director	Nil

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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 of directors 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 and 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 Sameed	Member	Non-Executive director
3	Mr. Hashim Aslam Butt	Member	Non-Executive director

a) **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 Sameed	Member	Non-Executive director
3	Mr. Hashim Aslam Butt	Member	Non-Executive director

13. The terms of reference of the aforesaid committees have been formed, documented and advised 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 or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP

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 other requirements of the Regulations have been complied with.

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

IFTIKHAR SHAFFI
Chief Executive

IMRAN KABIR
Director

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, 2020.

TABUSSUM SALEEM & COMPANY
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER:
Mrs. Saira Mudassar

Dated: 30 September 2020
Place: Lahore

INDEPENDENT AUDITOR'S REPORT
To the members of Shaffi Chemicals Limited
Report on the Audit of the Financial Statements

Qualified opinion

We have audited the annexed financial statements of Shaffi Chemicals Limited (the Company), which comprise the statement of financial position as at June 30, 2020, 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 qualified 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, 2020 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified opinion

1. Unclaimed Dividend amounting to Rupees 2.690 million (overdue) of previous years has not been deposited into the Government treasury, which may attract penalties and fines on management of the Company.

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 Rupees 165.67 Million and Rupees (45.65) Million respectively as on June 30, 2020. Sales of company were Nil. Company remained closed the whole year. Management of the company had decided to go for delisting therefore all the employees were laid off in the year ended June 30, 2015. Deputy registrar of company has initiated the winding up proceeding in Peshawar high court since 2018 and next hearing is as on October 26, 2020. 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.

Following are the Key audit matters:

Key Audit Matters	How our audit addressed the key audit matters
1. Investment in associated companies under equity method	
Shafi Chemical Industries (SCIL) owns 15.80% in Diamond Industries Limited (DIL), an entity listed on the Pakistan Stock Exchange but black listed and remained black listed as on June 30 2020. The carrying value of investment in associated Company DIL amounting to Rupees 26.40 Million which are accounted for under the equity method. Quoted value of investment is undeterminable due to reasons that PSX has blacklisted DIL. Therefore forced sale value is taken as zero. As at June 30, 2020, 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 assessing 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 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. 12 & 13 annexed, the company has taken loan from directors and associated companies. The loan from directors are interest free whereas loan from associates is subject 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 include 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 an 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.

1. 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.

2. 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, except for the significance of matters described in Basis of qualified opinion para above, 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.

TABUSSUM SALEEM & COMPANY
CHARTERED ACCOUNTANTS

Date: 30th September, 2020
Place: Lahore

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

		June 30, 2020		June 30, 2019	
ASSETS	Note	Book value	Estimated Realisable/ settlement value	Book value	Estimated Realisable/ settlement value
Cash and bank balances	3	**442,973**	**442,973**	479,439	479,439
Loan and Advances	4	**637,393**	**637,393**	665,352	665,352
Other Receivables	5	**2,450,666**	**2,450,666**	2,222,882	2,222,882
Security Deposits	6	**223,560**	**223,560**	223,560	223,560
Investments	7	**26,443,079**	**36,201**	30,248,164	46,073
Property, Plant and Equipment	8	**13,127,169**	**10,103,545**	13,911,914	11,142,350
TOTAL ASSETS		**43,324,840**	**13,894,339**	47,751,310	14,779,656
LIABILITIES					
Accrued and other payables	9	**6,776,222**	**6,776,222**	7,189,266	7,189,266
Unclaimed Dividend		**2,690,056**	**2,690,056**	2,690,056	2,690,056
Accrued Markup	10	**4,489,438**	**4,489,438**	7,693,910	7,693,910
Payable to Director & Sponsors	11	**33,491,574**	**33,491,574**	33,491,574	33,491,574
Payable to associated company	12	**35,105,350**	**35,105,350**	25,655,350	25,655,350
Deferred liabilities	13	**-**	**-**	-	-
Provision for taxation	14	**-**	**-**	-	-
TOTAL LIABILITIES		**82,552,640**	**82,552,640**	76,720,156	76,720,156
NET ASSETS		**(39,227,800)**	**(68,658,301)**	(28,968,846)	(61,940,500)
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	15	**120,000,000**	**120,000,000**	120,000,000	120,000,000
Fair Value Reserves		**26,015**	**26,015**	35,887	35,887
Accumulated Losses		**(165,678,090)**	**(165,678,090)**	(155,758,217)	(155,758,217)
Share Holders' Equity		**(45,652,075)**	**(45,652,075)**	(35,722,330)	(35,722,330)
Surplus on Revaluation of property, Plant and equipment	16	**6,424,275**	**-**	6,753,484	-
Net surplus on estimated realisable/settlement value		**-**	**(23,006,226)**	-	(26,218,170)
Contingencies & Commitments	17	**-**	**-**	-	-
		(39,227,800)	**(68,658,301)**	(28,968,846)	(61,940,500)

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive	Chief Financial Officer	Director

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED JUNE 30, 2020

	Note	June 30, 2020 Rupees	June 30, 2019 Rupees
Sales - net		-	-
Cost of Sales		-	-
Gross Profit / (Loss)		-	-
Operating Expenses			
Administrative Expenses	18	**(2,450,976)**	(2,501,285)
Other Operating Income	19	**171**	150
		(2,450,805)	(2,501,135)
Operating Profit / (Loss)		**(2,450,805)**	(2,501,135)
Other Operating Expenses	20	**(193,140)**	(176,500)
		(2,643,945)	(2,677,635)
Finance Cost	21	**(3,809,924)**	(3,276,547)
		(6,453,869)	(5,954,182)
Share of Profit/ (Loss) from associated company	7.1	**(807,570)**	(1,428,781)
Profit / (loss) before Taxation		**(7,261,439)**	(7,382,963)
Taxation			
Taxation-Prior Year			-
Share of tax of associated company	7.1	**93,679**	1,171,904
		93,679	1,171,904
Profit / (loss) after Taxation		**(7,167,760)**	(6,211,059)
Earning/(loss) per Share	23	**(0.60)**	(0.52)

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2020

	Note	June 30, 2020 Rupees	June 30, 2019 Rupees
PROFIT / (LOSS) FOR THE PERIOD		**(7,167,760)**	(6,211,059)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Unrealized loss arising on remeasurement of available for sale investments of associated companies	7.1	**(3,081,322)**	(460,083)
Unrealized gain arising on remeasurement of available for sale investments	7.2	**(9,872)**	(20,374)
Other Comprehensive income for the period		**(3,091,194)**	(480,457)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(10,258,954)**	(6,691,516)

Chief Executive

Chief Financial Officer

Director

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2020

	Note	June 30, 2020 Rupees	June 30, 2019 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	24	**(2,432,531)**	(1,950,953)
Taxes paid		**(39,538)**	(34,557)
Finance cost paid/adjusted		**(7,014,396)**	(16,690)
Net Cash generated from operating activities		**(9,486,465)**	(2,002,200)
CASH FLOW FROM INVESTING ACTIVITIES			
Disposal of vehicles		**-**	-
Net Cash Generated from /(used in) Investing Activities		**-**	-
CASH FLOW FROM FINANCING ACTIVITIES			
Short Term Borrowings paid			-
Loan from associated company		**9,450,000**	1,870,000
Loan from Director		**-**	-
Net Cash generated from /(used in) financing activities		**9,450,000**	1,870,000
Net Increase / (Decrease) in Cash & Cash Equivalents		**(36,465)**	(132,200)
Cash & Cash Equivalents at the Beginning of the Period		**479,439**	611,639
Cash & Cash Equivalents at the End of the Period		**442,974**	479,439

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive	Chief Financial Officer	Director

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2020

	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 2018	120,000,000	56,261	(176,535,160)	7,109,556	(176,478,899)	(56,478,899)
Effect of items directly credited in equity by the associated companies	-	-	27,092,013	-	27,092,013	27,092,013
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	-	356,072	(356,072)	356,072	356,072
Profit for the period	-	-	(6,211,059)		(6,211,059)	(6,211,059)
Other comprehensive income for the period	-	(20,374)	(460,083)		(480,457)	(480,457)
Total comprehensive loss for the period	-	(20,374)	(6,671,142)		(6,691,516)	(6,691,516)
Balance as at 30 June 2019	120,000,000	35,887	(155,758,217)	6,753,484	(155,722,330)	(35,722,330)
Balance as at 01 July 2019	120,000,000	35,887	(155,758,217)	6,753,484	(155,722,330)	(35,722,330)
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	-	329,209	(329,209)	329,209	329,209
Profit for the period	-	-	(7,167,760)		(7,167,760)	(7,167,760)
Other comprehensive income for the period	-	(9,872)	(3,081,322)		(3,091,194)	(3,091,194)
Total comprehensive loss for the period	-	(9,872)	(10,249,082)	-	(10,258,954)	(10,258,954)
Balance as at 30 June 2020	120,000,000	26,015	(165,678,090)	6,424,275	(165,652,075)	(45,652,075)

The annexed notes from 1 to 37 form an integral part of these financial statements.

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

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED JUNE 30, 2020

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 September 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).

1.2 GOING CONCERN ASSUMPTION

During the Year ended June 30, 2020, the company reported gross loss of Rupees =Nil. The company has accumulated losses and shareholders' equity Rupees 165.678 Million and Rupees (45.652) Million respectively as on June 30, 2020. During the year Sales of company was Nil. Company remained closed for the year. Management of the company had decided to go for delisting therefore all the employees were laid off in the year ended June 30, 2015. These factors have raised uncertainties that the company may not be able to continue as a going concern. Therefore these financial statements have been prepared on the basis of estimated 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.

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

a. Mr. Shariq Ifftikhar, the member of the board of directors of the company and its associated companies resigned from the board of directors of the SHAFFI CHEMICAL INDUSTRIES LIMITED as on 31 May, 2017, therefore the control existed in associated companies has shattered.
b. The deputy Registrar Companies has initiated the winding-up proceedings in Peshawar High Court through C.C 1/2018 on the basis suspension of its business since 2014. The next date in the winding up petition is fixed for 26-10-2020

.2.0 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:

2.1 Basis of Preparation
a) 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 respective accounting policies.

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:

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 judgment. 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 Standards

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2019:
IFRS 16 'Leases'
IFRS 9 (Amendments) 'Financial Instruments'
IAS 28 (Amendments) 'Investments in Associates and Joint Ventures'
IFRIC 23 'Uncertainty over Income Tax Treatments'
IASB's Annual Improvements to IFRSs: 2015 – 2017 Cycle
The application of the above amendmenteffectives does not result in any impact on profit or loss, other comprehensive income and total comprehensive income

e) Amendments to published approved accounting standards that are in current year but not relevant to the Company

There are other amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2019 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards, Interpretations and amendments to approved accounting standards that are not yet effective but relevant to the company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2020 or later periods:

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing general purpose financial statements in accordance with IFRS.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, DE recognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform.
Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 1 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

The above amendments and improvements do not have a material impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements

2.2 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.

2.3 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

2.4 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 liabilitie

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 amortized 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.

2.5 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 amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on DE recognition is recognized 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 recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized 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 amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized 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 recognized in other income/ (other expenses) in the statement of profit or loss as applicable.

2.6 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.

2.7 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized 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 recognized from initial recognition of the receivables.

2.8 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.

2.9 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.

2.10 Investment in associate – (with significant influence)

nvestments 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.

2.11 Stock - 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, labor 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.

2.12 Stores, 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

2.13 Trade debts and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized 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 recognized at amortized cost, less any allowance for expected credit losses

2.14 Cash 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.
2.15 Taxation
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.

2.16 Revenue from contracts with customers) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized 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 recognized 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 capitalized 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 amortized 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 capitalized 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 amortized 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 recognized 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.

2.17 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.

2.18 Share capital

Ordinary shares are classified as equity.

2.19 Government grants

Grants from the government are recognized 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 recognized 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.

2.20 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.

2.21 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.

2.22 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.

2.23 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.

2.24 Retirement 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 September 30, 2017.

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

2.25 Borrowing 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.

2.26 Functional 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.

2.27 Foreign 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.

2.28 Related 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.

2.29 Loans, Advances and other Receivables

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

2.30 Long 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.

2.31 Trade 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.

2.32 Impairment

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 2020 Rupees	June 2019 Rupees
3.0	**CASH & BANK BALANCES**			
	Cash in hand		**78,932**	33,848
	Cash at banks:			
	Current Accounts		**364,041**	445,591
			442,973	479,439
4.0	**LOANS AND ADVANCES**			
	Advances : Considered good			
	Other Advances		**209,451**	276,947
	Advance income tax		**427,942**	388,405
			637,393	665,352
5.0	**OTHER RECEIVABLES**			
	Sales Tax Receivable		**1,750,666**	1,522,882
	Receivables from First Capital ABN AMRO Equities (Pak) Ltd.	5.1	**-**	-
	Margin against Bank Guarantee (Sui Gas)		**700,000**	700,000
			2,450,666	2,222,882

5.1 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	5.2	**(157,950,240)**	(157,950,240)
Amount Recovered		**-**	-
		(157,950,240)	(157,950,240)
		-	-

5.2 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 2020 Rupees	June 2019 Rupees
6.0 SECURITY DEPOSITS			
Utilities		**70,760**	70,760
Gas		**127,800**	127,800
Central Depositary Co. Ltd.		**25,000**	25,000
		223,560	223,560
7.0 INVESTMENTS			
Investment in Associated Company - Equity Method	7.1	**26,406,878**	30,202,091
Other Investment (FVTOCI)	7.2	**36,201**	46,073
		26,443,079	30,248,164

7.1 Associated Company-(with significant Influence)- Equity Method
Diamond Industries Limited.
1,422,450(2019: 1,422,450 fully paid ordinary shares of Rs.10 each
Equity held 15.80 % (2019: 15.80 %)
Market value as on 30 Jun 2020, is Nil/-
(2019:Nil)

Share in net assets at the end of the period	**26,406,878**	30,202,091
Less: Impairment loss at the end of the period	**-**	-
	26,406,878	30,202,091
Share in net assets at the beginning of the period	**30,202,091**	3,827,038
Add: Share in profit / (loss) before taxation	**(807,570)**	(1,428,781)
Share in taxation	**93,679**	1,171,904
Change in surplus on revaluation of fixed assets	**(1,090,722)**	(1,182,397)
Share of transfer from Surplus on revaluation of fixed assets on account of incremental depreciation	**1,090,722**	1,182,397
Effect of prior year adjustments/other adjustments	**-**	(534,117)
Share of Liabilities Written Off	**-**	27,626,130
Share of gain/(loss) arising on measurement of available for sale investment	**(3,081,322)**	(460,083)
	(3,795,213)	26,375,053
	26,406,878	30,202,091
Share in net assets at the end of the period	**26,406,878**	30,202,091

7.1.1 Summarized financial information of associated company	**March 2020 Un-Audited**	March 2019 Un-Audited

Assets		
Current Assets	72,813,554	80,018,559
Non Current Assets	292,319,946	323,801,043
Liabilities		
Current Liabilities	(18,964,511)	(24,581,080)
Non Current Liabilities	(179,089,726)	(188,146,515)
Net Assets	**167,079,263**	**191,092,007**
Reconciliation to Carrying amounts:		
As at 01 July	191,092,007	24,214,098
Loss After Income Tax	(4,516,873)	(1,625,289)
Other Comprehensive income /(Loss)	(19,495,871)	168,503,198
As at 30 June	**167,079,263**	**191,092,007**
Company's Share	**15.805%**	15.805%
	-	-
Carrying Value	**26,406,878**	30,202,091

Summerised Statement of Comprehensive Income

Revenue	**9,229,744**	17,942,859
Loss for the Year	(4,516,873)	(1,625,289)
Other ComprehensiveIncomefor the Year	(19,495,871)	168,503,198
Total Comprehensive Loss	**(24,012,744)**	166,877,909
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	
	2020	2019	2020	2019	2020	2019	2020	2019
Pakistan	15.805%	15.805%	Equity Method	Equity Method	See Note No 7.1.4		26,406,878	30,202,091

7.1.2 There was no significant transaction or event occurred in associated company between March 31, 2020 and June 30, 2020, therefore there is no need to take any adjustment.

7.1.3 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 2020 is used for calculating value of share under equity method.

7.1.4 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. 35,063,393 (2019: 35,063,393) i.e. is Rs. 24.65 /share (2019: (24.65 /), whereas forceable sale value of these shares are Nil (2019: Nil)

			June 2020 Rupees	June 2019 Rupees
7.2	**Other Investment (FVTOCI)**			
	Sui Northern Gas Pipelines limited			
	663 (2019: 663) Ordinary shares of Rupees 10 each		**46,074**	66,447
	Add: Fair Value Adjustment	7.2.1	**(9,872)**	(20,374)
			36,201	46,073

	Fair Value Adjustment		
7.2.1	Opening Balance	**35,887**	56,261
	Deficit on re-measurement	**(9,872)**	(20,374)
		26,015	35,887
		26,015	35,887

8 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 2019							
Cost	2,800,000	20,303,280	50,217,922	582,842	943,878	-	74,847,922
Accumulated depreciation	-	(13,774,370)	(45,771,022)	(532,690)	(857,926)	-	(60,936,008)
Net book value	2,800,000	6,528,910	4,446,900	50,152	85,952	-	13,911,914
Period ended 30 June 2020							
Opening net book value	2,800,000	6,528,910	4,446,900	50,152	85,952	-	13,911,914
Additions/Revaluation	-	-	-	-	-	-	-
Adjustment							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Disposal						-	
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Depreciation charge	-	(326,446)	(444,690)	(5,015)	(8,595)	-	(784,746)
Closing net book value	2,800,000	6,202,464	4,002,210	45,137	77,357	-	13,127,168
As at 30 June 2020							
Cost	2,800,000	20,303,280	50,217,922	582,842	943,878	-	74,847,922
Accumulated depreciation	-	(14,100,816)	(46,215,712)	(537,705)	(866,521)	-	(61,720,754)
Net book value	2,800,000	6,202,464	4,002,210	45,137	77,357	-	13,127,168
Annual rate of depreciation	-	5%	10%	10%	10%	20%	

8.1 Building and Plant & Machinery were revalued by Zafar Iqbal & Company as on June 22, 2016 on the basis of Current replacement values. Previously, it was revalued by M/S RBS Associates (Pvt.)Ltd. on June 30, 2014. 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 June 30, 2020 would have been as follows:

Particulars	June 2020			June 2019		
	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**	**6,276,683**	**4,295,027**	10,571,710	6,050,629	4,521,081
Plant and Machinery	**31,398,708**	**7,002,965**	**24,395,743**	31,398,708	4,292,327	27,106,381
Rupees	**41,970,418**	**13,279,648**	**28,690,770**	41,970,418	10,342,956	31,627,462

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

	June 2020	2019
	Rupees	Rupees
Cost of sales	-	-
Administrative expenses	**784,746**	927,516

8.3 Realisable value of property, plant and equipment as on June 30, 2020 is Rupees 10,103,545/- (2019:11,142,350 /-) Forced sale value in last revaluation Year 2016 was Rupees 13.212 Million

Particular of Immovable property (I,e land and building) in the name of Company are as folloows

9.0 Trade and Other Payables

	June 2020 Rupees	June 2019 Rupees
Unsecured :		
Trade creditors and other payables	**212,296**	78,201
Accrued expenses	**48,462**	595,845
Payable to sponsors and associates	**6,515,220**	6,515,220
	6,776,222	7,189,266

10.0 ACCRUED INTEREST ON BORROWINGS

	Note	June 2020	June 2019
Markup on loan from associated concern	10.1	**4,489,438**	7,693,910
		4,489,438	7,693,910

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

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

	June 2020	June 2019
11.0 LOAN FROM 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	Transactions (Net)	Closing Balance
Mr. Mudassar Iftikhar	Director	33,491,574		**33,491,574**

	June 2020 Rupees	June 2019 Rupees
12.0 From Associated Concern - Un-Secured	**35,105,350**	25,655,350

This Represents the short term unsecured loan received from Associated Concern. This Carries Markup rate 3 Months Kibor + 2.5% with floor of 13% and no cap.In current year 2020

12.1 Detail of Associated concern/ Related Parties

Name of Associated	Nature of transaction	Relationship	Opening	During the year	Closing
Capital Industries Enterprises (pvt) ltd	Against working capital	Associated company	25,655,350	9,450,000	35,105,350
			25,655,350	**9,450,000**	**35,105,350**

13 DEFERRED LIABILITIES

	Note	June 2020	June 2019
Deferred Taxation	13.1	-	-

13.1 Provision for Deferred Taxation

		June 2020		
Deferred taxation liability comprises as follows :		Balance at the beginning of the year	Recognized in profit & loss account	Balance at end of the year
Taxable temporary differences				
Accelerated tax depreciation allowance		1,318,155	(864,926)	453,229
		1,486,045	(1,486,045)	-
		2,804,200	(2,350,971)	453,229
Net temporary differences		2,804,200	(2,350,971)	453,229
Effect of accumulated tax losses		(6,726,081)	(398,056)	(7,124,137)
		(3,921,881)	(2,749,027)	(6,670,908)
Non recognition of Deferred tax asset	13.1.1	3,921,881	2,749,027	6,670,908
		-	-	-

		2019		
		Balance at the beginning of the year	Recognized in profit & loss account	Balance at end of the year
Deferred taxation liability comprises as follows :				
Taxable temporary differences				
Accelerated tax depreciation allowance		1,313,105	5,050	1,318,155
Surplus on revaluation of Property, Plant and Equipment		1,765,439	(279,394)	1,486,045
		3,078,544	(274,344)	2,804,200
Net temporary differences		3,078,544	(274,344)	2,804,200
Effect of accumulated tax losses		(5,574,940)	(1,151,141)	(6,726,081)
		(2,496,396)	(1,425,485)	(3,921,881)
Non recognition of Deferred tax asset	13.1.1	2,496,396	1,425,485	3,921,881
		-	-	-
		-		

13.1.1 Deferred tax asset of Rs. 3.005 million (2019: 4.262 million; 2018: 5.97 million) has not been recognised because the company is continuously sustaining losses and in the future years sufficient taxable profits will not be available against which they can be utilized.

14.0 PROVISION FOR TAXATION

	June 2020 Rupees	2019 Rupees
Opening Balance	-	-
Taxation for the year	-	-
Paid / Adjusted against advance income tax	-	-
	-	-

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

14.2 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.

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

14.4 No any unfavourable outcome is expetced.

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

15.0 ISSUED, SUBSCRIBED & PAID UP CAPITAL

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

15.1 **4,336,242** (2019 : 4,336,242 Nos.) Ordinary shares of Rs 10/- each were held by Associated companies at the year end. Detail is as follows:

	June 2020 Nos.	June 2019 Nos.
Diamond Industries Limited	**3,754,240**	3,754,240
Diamond Corporation (Private) Limited	**176,000**	176,000
Diamond Home Textile (Private) Limited	**255,000**	255,000
Capital Industrial Enterprises (Private) Limited	**21,002**	21,002
Diamond Product (Private) Limited	**130,000**	130,000
	4,336,242	4,336,242

16.0 SURPLUS ON REVALUATION OF FIXED ASSETS

		June 2020 Rupees	June 2019 Rupees
Surplus on Land			
Opening balance		**1,800,000**	1,800,000
Add: Revaluation during the year		**-**	-
Revaluation surplus on land		**1,800,000**	1,800,000
Surplus on Buildings			
Opening balance		**9,731,569**	9,731,569
Add: Revaluation during the year	16.1	**-**	-
Total revaluation surplus on building		**9,731,569**	9,731,569
Less: Incremental depreciation charged in previous years		**6,408,789**	6,233,906
Less: Incremental depreciation charged in current years		**166,139**	174,883
		6,574,928	6,408,789
Revaluation surplus on building net off incremental depreciation		**3,156,641**	3,322,780
Surplus on Plant and Machinery			
Opening balance		**18,819,214**	18,819,214
Add: Revaluation during the year	16.1	**-**	-
Total revaluation surplus on plant and machinery		**18,819,214**	18,819,214
Less: Incremental depreciation charged in previous years		**17,188,510**	17,007,321
Less: Incremental depreciation charged in current years		**163,070**	181,189
		17,351,580	17,188,510
Revaluation surplus on plant and machinery net off incremental depreciation		**1,467,634**	1,630,704
Closing balance		**6,424,275**	6,753,484

16.1 Building and Plant & Machinery were revalued by Zafar Iqbal & Company as on June 22, 2016. Previously it was revalued by M/S RBS Associates (Pvt.) Ltd. on June 28, 2014 on the basis of current replacement values. Revaluation surplus was credited to surplus on revaluation of Fixed Assets account.

17.0 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)

III. CIVIL COURT LAHORE .

Lahore Stock Exchange (G) Ltd. Vs. Iftikhar Shaffi etc.

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)

The Deputy Registrar Companies has initiated the winding up proceedings through C.C 1/2018 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 recent past, the ABL and the company has mutually entered into a settlement and consequently all pending cases have been withdrawan by both sides. THe management of the company is now vigorously trying for revival of the company. The next date in winding up petition is fixed for 26-10-2020 for aurguments.

Commitments

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

The management of 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.

			June 2020 Rupees	June 2019 Rupees
18.0	**ADMINISTRATIVE EXPENSES**			
	Salaries, Wages & Benefits	18.1	**168,000**	168,000
	Communications		**19,358**	18,566
	Fees & Taxes		**129,279**	109,595
	Legal & Professional Charges		**-**	7,500
	Utilities		**1,167,850**	1,168,383
	Insurance		**166,002**	45,239
	Printing & Stationery		**15,739**	16,280
	Other Expenses		**-**	114,873
	Depreciation	8.2	**784,748**	852,849
			2,450,976	2,501,285
18.1	This includes gratuity amounting to Rs. Nil/- (2019: Nil)			
19.0	**OTHER OPERATING INCOME**			
	Interest income		**171**	150
			171	150
20.0	**OTHER OPERATING EXPENSES**			
	Auditors' Remuneration	20.1	**193,140**	176,500
			193,140	176,500
20.1	**Auditors' Remuneration**			
	Audit Fee		**135,000**	135,000
	Out of pocket		**-**	10,000
	Half yearly review		**31,500**	31,500
	Punjab sales tax		**26,640**	-
			193,140	176,500

			June 2020 Rupees	June 2019 Rupees
21.0	**FINANCE COST**			
	Markup on Short Term Loans		3,795,528	3,259,857
	Bank Charges		14,396	16,690
			3,809,924	3,276,547

22.0	**TAXATION**			
	Current tax for the year	22.1	-	-
	Share of Tax of associated company		(93,679)	(1,171,904)
			(93,679)	(1,171,904)

22.1 Due to carry forward tax losses and no turnover during the year, tax liability is nil whether computed under normal tax regime or vide alternative corporate taxation or tax liability under section 113 of the Income Tax Ordinance, 2001, therefore tax provision is nil during the year.

22.2 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.

			June 2020	June 2019
23.0	**EARNING/ (LOSS) PER SHARE-BASIC**			
	(Loss) for the year after taxation	(Rupees)	(7,167,760)	(6,211,059)
	Average No. of ordinary shares	(Numbers)	12,000,000	12,000,000
			(0.60)	(0.52)

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.

24.0	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		(7,261,439)	(7,382,963)
	Adjustments for:			
	Depreciation on property, plant and equipment		784,746	852,849
	Share of profit/(loss) of associated company		807,570	1,428,781
	Finance cost		3,809,924	3,276,547
	Working capital changes	24.1	(573,332)	(126,167)
			4,828,908	5,432,010
			(2,432,531)	(1,950,953)

24.1	**Working Capital Changes**		
	(Increase) / Decrease in Current Assets		
	Loans and Advances	67,496	(76,947)
	Other Receivables	(227,784)	(74,716)
		(160,288)	(151,663)
	Increase / (Decrease) in Current Liabilities		
	Trade and Other Payables	(413,044)	25,496
	Changes in Working Capital	(573,332)	(126,167)

25 FINANCIAL RISK MANAGEMENT

25.1 Financial 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.

25.1.1 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) 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.

(iii) 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:

	2020 Rupees	2019 Rupees
Floating rate instruments		
Financial liabilities		
Short Term Borrowings - Secured	**35,105,350**	25,655,350

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.

25.1.2 Credit 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:

	2020 Rupees	2019 Rupees
Investments (FVTOCI)	**36,201**	46,073
Long Term Deposits	**223,560**	223,560
Loans and Advances	**209,451**	276,947
Other Receivables	**2,450,666**	2,222,882
Cash and Bank Balances	**442,973**	479,439
	3,362,851	3,248,901

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2020	2019
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	**12,711**	25,224
Allied Bank Limited	A-1+	AAA	PACRA	**-**	-
Silk Bank	A-2	A-	JCR-VIS	**345,569**	414,606
Askari Bank Limited	A-1+	AA+	PACRA	**2,094**	2,094
Bank Alfalah Limited	A-1	AA+	PACRA	**970**	970
Summit Bank	A-3	BBB-	JCR-VIS	**2,698**	2,698
				364,042	445,592

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.

25.1.3 Liquidity 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 June 2020

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
		----------------------------	---------------- (Rupees)	----------------	----------------	
Non-derivative financial liabilities:						
Unclaimed Dividend	**2,690,056**	**2,690,056**	**2,690,056**	-	-	-
Payable to Director & Sponsors	**33,491,574**	**33,491,574**	**33,491,574**	-	-	-
Payable to associated company	**35,105,350**	**35,105,350**	**35,105,350**	-	-	-
Mark-up on Borrowings	**4,489,438**	**4,489,438**	**4,489,438**	-	-	-
Trade and Other Payables	**6,776,222**	**6,776,222**	**6,776,222**	-	-	-
	82,552,640	**82,552,640**	**82,552,640**	**-**	**-**	**-**

Contractual maturities of financial liabilities as at 30 June 2019

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(Rupees)					
Non-derivative financial liabilities:						
Unclaimed Dividend	2,690,056	2,690,056	2,690,056	-	-	-
Payable to Director & Sponsors	33,491,574	33,491,574	33,491,574	-	-	-
Payable to associated	25,655,350	25,655,350	25,655,350			
Mark-up on Borrowings	7,693,910	7,693,910	7,693,910			
Trade and Other Payables	7,189,266	7,189,266	7,189,266	-	-	-
	76,720,156	**76,720,156**	**76,720,156**	**-**	**-**	**-**

25.2 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:

25.3 Financial instruments by categories

	Fair value through profit & loss account	Loans and receivables at amortised cost	Fair value through other comprehensive income	Total
	Rupees	Rupees	Rupees	Rupees
As at 30 June 2020				
Assets as per balance sheet				
Long Term Investment -Other Investment (FVTOCI)	-	-	36,201	36,201
Long Term Deposits	-	223,560	-	223,560
Loans and Advances	-	209,451	-	209,451
Other Receivables	-	2,450,666	-	2,450,666
Bank Balances	-	364,042	-	364,042
	-	3,247,719	36,201	3,283,920

	Financial liabilities at amortized cost
	Rupees
Liabilities as per balance sheet	
Long Term Investment -Other Investment	35,105,350
Payable to Director	33,491,574
Mark-up on loan from associated concern	4,489,438
Unclaimed Dividend	2,690,056
Trade and other payables	6,776,222
	82,552,640

	Fair value through profit & loss account	Loans and receivables at amortised cost	Available for sale	Total
	Rupees	Rupees	Rupees	Rupees
As at 30 June 2019				
Assets as per balance sheet				
Long Term Investment - Available for sale			46,073	46,073
Long Term Deposits		223,560		223,560
Loans and Advances		276,947		276,947
Other Receivables		2,222,882		2,222,882
Bank Balances		445,592		445,592
	-	**3,168,980**	**46,073**	**3,215,053**

	Financial liabilities at amortized cost
	Rupees
Liabilities as per balance sheet	
Long Term Loan from associated concern	25,655,350
Payable to Director & Sponsors	33,491,574
Mark-up on loan from associated concern	7,693,910
Unclaimed Dividend	2,690,056
Trade and other payables	7,189,266
	76,720,156

26 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 2020	Level 1	Level 2	Level 3	Total
	........................Rupees.........................			
Financial assets				
Available for sale financial asset	**36,201**	**-**	**-**	**36,201**
Total financial assets	**36,201**	**-**	**-**	**36,201**

Recurring fair value measurements At 30 June 2019	Level 1	Level 2	Level 3	Total
	........................Rupees.........................			
Financial assets				
Available for sale financial asset	46,073	-	-	46,073
Total financial assets	46,073	-	-	46,073

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.

27 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.

	2020 Rupees	2019 Rupees
Total borrowings	**82,552,640**	76,720,156
Cash and bank balances	**(442,973)**	(479,439)
	82,109,667	76,240,717
Total equity	**(39,227,800)**	(28,968,846)
	42,881,867	47,271,871
Gearing ratio	**-209.31%**	-263.18%

28 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:

	2020 Rupees	**2019 Rupees**
Remuneration	-	-

29 NUMBER OF EMPLOYEES

Number of employees as at year end

There is no employee except security guard of factory at daily wages.

Other officers of the Company like Company secretary, Chief Financialofficer etc. are not drawing salary.	**1**	**1**

		2020	2019
30	**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.

		Rupees	Rupees
31	**RECLASSIFICATION OF EXPENSES**		
	The following manufacturing expenses are reclassified as administrative expenses:		
	Salaries, Wages & Other Benefits	**168,000**	168,000
	Utilities	**1,167,850**	1,168,383
	Insurance Expenses	**166,002**	45,239
	Depreciation	**784,748**	852,849
		2,286,600	2,234,471

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

32 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:

	2020	2019
	(Rupees in Million)	
Loan from Associated Concern		
Capital Industrial Enterprises (Private) Limited	**(35.105)**	**(25.655)**
Mark-up on loan from Associated Concern		
Capital Industrial Enterprises (Private) Limited	**(4.489)**	**(7.694)**
Loan from Director	**(33.492)**	**(33.492)**

33 IMPACT OF COVID-19 (CORONA VIRUS)

The pendamic of Covid-19 that repidly spread all across the world that not only endangered human lives but has also adversely impacted the global economy. On 23March 2020,the Government of the Punjab and the Government of the Sindh has announced a temporary lock down, due to which companies have temporary ceased their operaitons and implemented necessary Standared Operating Procedures to ensure safety of its employees. As the company had suspended all its operations since last many years, therefore, management has not assessed any accounting and financial impact on these finnancial statements.

34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **September 30, 2020** by the board of directors of the company.

35 CORRESPONDING FIGURES

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

Chief Executive	Chief Financial Officer	Director

Operating Highlights

		2015	2016	2017	2018	2019	2020
KEY INDICATORS							
OPERATING							
GROSS MARGIN	%	(0.00)	-	-	-	-	-
OPERATING MARGIN	%	(2,329.43)	-	-	-	-	-
PRE TAX MARGIN	%	(17,925.09)	-	-	-	-	-
NET MARGIN	%	(21,756.39)	-	-	-	-	-
PERFORMANCE							
RETURN ON ASSETS	%	(0.0408)	0.0464	0.1110	(2.6867)	(0.1301)	(0.1654)
ASSETS TURNOVER	Times	-	-	-	-	-	-
FIXED ASSETS TURNOVER	Times	0.0031	-	-	-	-	-
INVENTORY TURNOVER	Times	2.0000	-	-	-	-	-
RETURN ON EQUITY	%	224.1584	(332.4555)	235.3385	(105.5826)	(17.3870)	(15.7008)
RETURN ON CAPITAL EMPLOYED	%	41.5764	19.0164	55.1305	(119.0192)	(25.4859)	(18.5110)
LEVERAGES							
DEBT:EQUITY	Times	1.5819	4.3971	1.7299	(1.1602)	(2.0417)	(1.7487)
LIQUIDITY							
CURRENT	Times	0.3010	0.0562	0.0652	0.0463	0.0439	0.0428
QUICK	Times	0.3010	0.0562	0.0652	0.0463	0.0439	0.0428
VALUATION							
EARNING PER SHARE(PRE TAX)	Rs.	(3.1005)	1.2280	0.7575	(4.8966)	(0.6152)	(0.6051)
EARNING PER SHARE(AFTER TAX)	Rs.	(3.7632)	1.2365	0.4987	(4.9693)	(0.5176)	(0.5973)
BREAK UP VALUE	Rs.	(1.6788)	(0.3719)	0.2119	(4.7066)	(2.9769)	(3.8043)
HISTORICAL TRENDS							
TRADING RESULTS							
TURNOVER	Rs.	208	-	-	-	-	-
GROSS PROFIT/(LOSS)	Rs.	(0)	-	-	-	-	-
OPERATING PROFIT	Rs.	(4,835)	7,845	(2,866)	(3,544)	(2,563)	(2,451)
PROFIT/(LOSS) BEFORE TAX	Rs.	(37,206)	14,794	9,089	(58,759)	(7,383)	(7,261)
PROFIT/(LOSS) AFTER TAX	Rs.	(45,159)	14,839	5,984	(59,632)	(6,211)	(7,168)
FINANCIAL POSITION							
SHAREHOLDERS FUNDS	Rs.	(20,146)	(4,463)	2,543	(56,479)	(35,722)	(45,652)
PROPERTY, PLANT AND EQUIPMENT	Rs.	67,721	16,702	15,692	14,766	13,912	13,127
NET CURRENT ASSETS	Rs.	(10,500)	(38,720)	(40,803)	(68,251)	(73,352)	(79,022)
LONG TERM ASSETS	Rs.	108,616	46,455	51,064	18,882	44,384	39,794
LONG TERM LIABILITIES	Rs.	60,114	-	-	-	-	-

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 **30-06-2020**

	------Shareholdings------		
2.2 No. of Shareholders	**From**	**To**	**Total Shares Held**
296	1	100	21,943
329	101	500	156,832
114	501	1,000	110,648
171	1,001	5,000	515,351
58	5,001	10,000	466,683
20	10,001	15,000	251,508
7	15,001	20,000	137,000
4	20,001	25,000	90,002
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
1,026			12,000,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	1,297,450	10.8121%
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	6,348,633	52.9053%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
Joint Stock Companies	17,175	0.1431%

Catagories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2020

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. SHARIQ IFTIKHAR	2,006,000	16.7167
3	MR. MUHAMMAD SAMEER	500	0.0042
4	MR. HASHIM ASLAM BUTT	500	0.0042
5	MR. MOHIB HUSSAIN	500	0.0042
6	MR. ABDUL SHAKOOR	500	0.0042
7	MR. IMRAN KABIR	500	0.0042
8	MRS. SEEMA IFTIKHAR W/O MR. IFTIKHAR A SHAFFI	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		

FORM OF PROXY

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
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 Saturday 24th October, 2020 at 10:00 a.m. and any adjournment thereof.

As witnessed given under my/our hand(s) ______________ day of ____________ 2020.

1)Witness:
Signature ____________________
Name ____________________
Address____________________
____

____
Signature of Member

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 Registrar 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 24 اکتوبر 2020 بروز ہفتہ صبح 10 بجے ہمارے رجسٹرڈ آفس، پلاٹ نمبر، 2 گدون امازے انڈسٹریل اسٹیٹ اسٹیٹ صوابی خیبر پختونخواہ میں منعقد ہوگا میں کمپنی کا کوئی دوسرا 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 خود دی ______________ بروز ______________ 2020 ______________

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 ______________

کمپیوٹرائزڈ شناختی کارڈ نمبر ______________

نوٹ:

پراکسیز کو موثر بنانے کے لئے دستخط شدہ، تصدیق شدہ اور مہر 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 لئے اپنے ہمراہ اپنا اصل کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ لانا ضروری ہے اور پراکسی کی صورت میں اس کے / اس کی کمپیوٹرائزڈ 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 کروانا ہوگی، جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

(ii) مالکان کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق نقول اور پراکسی فارم کے ساتھ تقرر کیا جائے گا۔

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

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