



SHAFFI CHEMICAL INDUSTRIES LIMITED

ANNUAL REPORT 2026



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CORPORATE PROFILE

BOARD OF DIRECTORS

1. Mr. Iftikhar Shaffi	Chief Executive	(Executive)
2. Mr. Nazir Ahmad	Director	(Independent)
3. Mr. Imran Kabir	Director	(Independent)
4. Mr. Muhammad Sameer	Director	(Non-Executive)
5. Mrs. Seema Iftikhar	Director	(Non-Executive)
6. Mr. Hashim Aslam Butt	Director	(Non-Executive)
7. Mr. Mohib Hussain	Director	(Non-Executive)

COMPANY SECRETARY

- Mr. Zahoor Ahmad

CHIEF FINANCIAL OFFICE

- Mr. Munawar Hussain

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

LEGAL ADVISOR

- A.K. Minhas Law Associates

AUDITORS

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@hotmail.com

BANKERS

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

REGISTERED OFFICE

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

FACTORY

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

PRINCIPLE OFFICE

- 23-Km, Multan Road, Mohlanwal, Lahore
Tel: 042-37540336-7
Fax: 042-37540335
E.mail: shaffichemical@diamondfoam.com

SHARE REGISTRAR

- M/s Corplink (Pvt) Limited
Wings Arcade, 1-K Commercial, Model Town, Lahore
Tel: 042-35916714, 35916719, 35839182
Fax: 042-35869037
E.mail: corplink786@yahoo.com

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that Annual General Meeting of Shareholders of Shaffi Chemical Industries Limited will be held on Tuesday 27th October, 2026 at 10:00 A.M. at Company's Registered Office at Plot No. 2, Gadoon Amazai, Industrial Estate, Swabi, Khyber-Pakhtoonkhwa to transact the following business:

Ordinary Business

1. To confirm the minutes of the last Extraordinary General Meeting held on 31st March, 2026.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30th June, 2026 together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the financial year ending June 30, 2027 and to fix their remuneration.
4. To consider any other transactions with the permission of the chair.

BY ORDER OF THE BOARD

ZAHOOR AHMAD
Company Secretary

Lahore: 06-10-2026

Notes:

1. The share transfer books of the Company will remain closed from October 20, 2026 to October 27, 2026 (both days inclusive). Transfers received office of the at the Company's Registrars, M/s CORPLINK (PVT) LTD, Wing Arcade, 1-K, Commercial Area, Model Town, Lahore by close of business on October 19, 2026, will be treated in time.
2. A member may appoint another member as his / her proxy to attend and vote on his/her behalf. Proxies in order to be effective must be receive at the office of the company duly stamped and signed not less than 48 hours before holding of meeting. Copy of CNIC of member and proxy must be furnished with the proxy form.
3. 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.
4. 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.
5. To ensure compliance with the SECP Notification SRO 831(1)2012 dated July 05, 2012 read with Notification SRO 19(1)2014 dated January 10, 2014, all members who have not yet submitted their valid CNIC/NTN/Dividend Mandate (bank account detail i.e. Name & Address of Bank and IBAN), are hereby once again requested to submit the same without further delay.
6. The shareholders intending to participate in the meeting via video link, are hereby requested to share the following information with the company secretary 10-days before the holding of Annual General Meeting.

Folio / CDC Account No.	Shareholder Name	Mobile No	Email address



The aforesaid information can be provided through the following modes:

- a) Mobile / WhatsApp : 0322-9001210
- b) Email : zahoor.ahmad@diamondfoam.com

Video link details and login credentials (Zoom Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above 5 days before the date of the Annual General Meeting.

7. 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.

8. As per Section 72 of the Act, all listed companies are required to replace shares issued by them in physical form to book-entry form within four years of the promulgation of the Act. Accordingly, all shareholders of Shaffi Chemical Industries Limited having physical folios / share certificates are requested to convert their shares into book-entry form at the earliest. Maintaining shares in book- entry form will make the process of share handling more efficient and risk free and will facilitate shareholders in the safe custody of shares. Shareholders may contact the Company or Share Registrar, M/s. Corplink (Pvt.) Ltd. 1-K Commercial, Model Town, Lahore, for the conversion of physical shares into book- entry form.
9. In accordance with Section 223 of the Companies Act 2017 and pursuant to the SRO 389(1)2023 of March 21, 2023 the audited financial statements of the company for the year ended June 30, 2026 together with Director’s Report, Auditor’s Report & the Chairman’s Review Report thereon have been placed at the Company’s website and can be accessed through following QR enabled code.



www.scil.com.pk/financial-report/

In addition to the above the printed copies of these financial statements can be provided to members upon request.

**CHAIRMAN'S REVIEW REPORT**

I am pleased to present this review of the performance and affairs of **Shaffi Chemical Industries Limited** (the "Company") for the financial year ended June 30, 2026.

During the year under review, the Company made significant progress towards regularizing its corporate and regulatory status, reviving its business operations, and improving its financial performance. The Company has settled all outstanding liabilities and paid the overdue annual listing fees to the Pakistan Stock Exchange Limited (PSX) to rectify its default under Clause 5.11.1(e) of the PSX Regulations. Accordingly, the Company has requested the removal of its name from the Defaulter Segment and its reclassification to the Normal Trading Segment to facilitate the restoration of trading in its shares. These measures reflect the management's commitment to restoring the Company's regulatory compliance and protecting the interests of its shareholders. Whereas the winding-up petition filed by the Deputy Registrar of Companies, Peshawar, is being vigorously contested by the Company before the Hon'ble Court. In accordance with the revival plan submitted before the Hon'ble Peshawar High Court, the management has commenced furniture trading activities at the factory premises. The Company's management is optimistic that the furniture business will expand and contribute positively to its future performance, subject to market acceptance and business growth.

To support the revival and expansion of business operations, the management and shareholders have approved, through a special resolution, the diversification of the Company's principal business activities to include the manufacturing and trading of furniture. Furthermore, the authorized share capital of the Company has been increased from Rs. 120 million to Rs. 400 million to facilitate future equity expansion and provide a broader capital base for the proposed rights issue. The requisite information has been submitted to PSX through PUCARS for the information of shareholders, while the necessary corporate documents have been filed with the Registrar of Companies, Peshawar, and the Securities and Exchange Commission of Pakistan (SECP), and are currently under review.

During the financial year under review, the Company generated sales revenue of Rs. 48.908 million from its furniture business and recorded an operating profit of Rs. 82.420 million, compared to an operating profit of Rs. 1.974 million in the preceding financial year ended June 30, 2025. After accounting for finance costs of Rs. 4.625 million and tax expense of Rs. 7.139 million, the Company reported a net profit after tax of Rs. 70.655 million, compared to a net loss of Rs. 29.107 million for the corresponding period of the preceding year. These financial results reflect the Company's progress towards business revival and its efforts to improve financial performance through the commencement of furniture trading activities.

Future Outlook

The management remains focused on consolidating the Company's furniture trading operations and expanding its business activities to achieve sustainable growth and improve financial performance. The proposed rights issue is intended to strengthen the Company's working capital position and provide the necessary financial resources to support its business expansion plans, subject to completion of the requisite corporate and regulatory formalities.

The management is also pursuing the regularization of the Company's corporate and regulatory status, including the restoration of trading in its shares on PSX, while continuing to defend the pending legal



proceedings. The Company will continue to explore opportunities for business growth and operational improvement, with a view to enhancing shareholder value and safeguarding the interests of all shareholders.

The board members including leadership team of the Company are humbled by your overwhelming response and are determined to deliver as per your expectations soon. I would also like to thank our esteemed shareholders for entrusting me with guiding direction of the Company and assure that all my efforts will continue to be aimed at steering the Company towards consistent qualitative and quantitative growth in future as well. We are committed towards fulfilling our mission for revival of business operations of the company. The Board members have rich and varied experience in the fields of business, finance, and regulations and ensures compliance of all regulatory requirements by the Management. The board committees provided valuable input and assistance to the Board. The Audit Committee particularly focused on detailed review of financial statements and effectiveness of internal controls. The HR Committee overviews HR policy framework and recommends selection and compensation of senior management team.

Acknowledgment

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

Seema Iftikhar
Chairman

**DIRECTORS' REPORT**

Dear Shareholders,

The Board of Directors of **Shaffi Chemical Industries Limited** is pleased to present its report on the affairs and business performance for the year ended **June 30, 2026**, along with the financial results and an update on the Company's ongoing efforts to revive its business operations.

Financial Highlights	2026	2025
(Rs. in Millions)		
Sales (Net)	48.908	23.681
Gross Profit /(Loss)	8.405	3.653
Operating Expenses	(3.375)	(3.957)
Other Income	77.389	2.278
Profit / (Loss) from Operation	82.420	1.974
Other expenses and financial cost	(4.625)	(7.159)
Share of Profit/(Loss) of Associated Coys.	-	(23.485)
Profit / (Loss) before Taxation	77.794	(28.669)
Taxation	(7.139)	(0.438)
Profit / (Loss) after Taxation	70.655	(29.107)

Year in review :

During the year under review, the Company generated sales revenue of Rs. 48.908 million and gross profit of Rs. 8.405 million, as compared to sales revenue of Rs. 23.681 million and gross profit of Rs. 3.653 million during the preceding year ended June 30, 2025. After accounting for operating expenses of Rs. 3.375 million and other income of Rs. 77.389 million, the Company achieved an operating profit of Rs. 82.420 million as against Rs. 1.974 million for the previous year ended June 30, 2025. After incorporating finance cost of Rs. 4.625 million and taxation of Rs. 7.139 million, the Company posted a net profit after tax of Rs. 70.655 million, as compared to a net loss after tax of Rs. 29.107 million reported during the corresponding period of the previous year.

Furthermore, the Company generated proceeds of Rs. 75.951 million through the disposal of its investment comprising 1,422,450 shares of Diamond Industries Limited via market transactions. The proceeds were utilized towards settlement of the Company's outstanding liabilities, including Rs. 33.491 million payable as a loan from a Director and Rs. 44.697 million payable to associated concerns. In addition, the Company successfully reduced its liability on account of markup payable from Rs. 40.700 million to Rs. 27.293 million. As a result of these measures and the improvement in the Company's financial position, shareholders' equity turned positive at Rs. 0.128 million, as compared to a deficit of Rs. 70.545 million in the preceding year.

This represents a significant step towards strengthening the Company's balance sheet and underscores its steady progress towards business revival and improved financial performance through the commencement of furniture trading activities.

The winding-up petition filed by the Deputy Registrar of Companies, Peshawar, continues to be vigorously contested by the Company before the Hon'ble Peshawar High Court. In accordance with the revival plan submitted before the Hon'ble Court, the management has commenced furniture



trading activities at the Company's factory premises. The management is optimistic that the expansion of furniture-related activities will provide a basis for the revival of the Company's business operations and contribute positively to its future financial performance. As part of the Company's revival and diversification strategy, the expansion and diversification of the principal line of business to include the manufacturing and trading of furniture was approved by the shareholders through a special resolution. Furthermore, the authorized share capital of the Company was increased from Rs. 120 million to Rs. 400 million to facilitate future equity expansion and provide a broader capital base for the proposed rights issue and other business requirements.

The Company has taken the necessary corporate and regulatory steps in connection with the above matters. The requisite information has been communicated to the Pakistan Stock Exchange Limited (PSX) through PUCARS for the information of shareholders, while the necessary corporate documents have been submitted to the Registrar of Companies, Peshawar, Securities and Exchange Commission of Pakistan (SECP) and other relevant authorities, as applicable. The relevant filings are presently under review. The management remains committed to completing the pending regulatory and corporate formalities, strengthening the Company's financial position, and pursuing the revival and diversification of its business operations in the best interests of the Company and its shareholders.

The disputed matters and legal proceedings relating to First Capital ABN AMRO Equities (Pakistan) Limited, Lahore Stock Exchange, and other parties are being vigorously contested by the Company before the appropriate judicial and regulatory forums. The details of these matters, together with the related contingencies and commitments, have been disclosed.

Vision and mission:

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

Earning per share:

Earnings per share for the year ended 30th June, 2026 is Rs. 5.89 as compared to Rs. (2.43) 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, 2026 and the attendance of the Directors is as follows:

S.#	Name	Position	Attendance
1.	Mr. Iftikhar Shaffi	Chief Executive	04
2.	Mr. Muhammad Sameer	Director	05
3.	Mr. Hashim Aslam Butt	Director	05
4.	Mr. Mohib Hussain	Director	05
5.	Mr. Imran Kabir	Director	05
6.	Mrs. Seema Iftikhar	Director	05
7.	Mr. Nazir Ahmed	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:

The Company is taking proactive steps to revive and strengthen its business operations by diversifying into furniture manufacturing and trading. This strategic initiative is aimed at safeguarding the interests of minority shareholders, generating sustainable revenue, and establishing a viable business foundation for the Company's future growth. In support of the Company's revival strategy and in compliance of special resolution passed by the members in EOGM of April 2025, necessary documents / forms regarding diversification of the Company's principal line of business to include the manufacturing and trading of furniture and change of company name from "Shaffi Chemical Industries Limited" to "Shaffi Industrial Enterprises Limited," has been prepared and filed with the Registrar of Companies, Peshawar, SECP and are currently under review. The management remains optimistic about the prospects of the furniture business and is committed to pursuing the Company's revival plan, improving its financial position, and creating sustainable value for shareholders.

Code of conduct:

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

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, 2026. The Board of Directors has endorsed this recommendation.

Corporate and financial reporting framework:

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



The Directors confirm that:

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

Acknowledgement:

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

IFTIKHAR SHAFFI
Chief Executive
Lahore:- 02nd October, 2026

For and on behalf of the Board

IMRAN KABIR
Director



ڈائریکٹرز کی رپورٹ

پیارے شیئر ہولڈرز،

شفیع کیمیکل انڈسٹریز لمیٹڈ کا بورڈ آف ڈائریکٹرز، 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے امور اور کاروباری کارکردگی پر اپنی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہا ہے۔ اس رپورٹ کے ساتھ مالیاتی نتائج اور کمپنی کی جانب سے اپنے کاروباری آپریشنز کو بحال کرنے کی جاری کوششوں کے بارے میں تازہ ترین معلومات بھی شامل ہیں۔

مالیاتی جھلکیاں	2026 (ملین)	2025 (ملین)
سیلز	48.908	23.681
مجموعی منافع	8.405	3.653
آپریٹنگ خرچہ	(3.375)	(3.957)
آپریٹنگ منافع	(77.389)	2.278
دیگر اخراجات اور مالیاتی خرچہ	82.420	1.974
سرمایہ کاری میں کمی کی مطابقت	(4.625)	(1.159)
ایسوسی ایٹ کمپنی کے نفع/نقصان	-	(7.485)
نفع قبل از ٹیکس	(77.794)	(28.669)
ٹیکس	(7.139)	(0.438)
منافع بعد از ٹیکس	(70.655)	(29.107)

سال کا جائزہ:

زیر جائزہ سال کے دوران، کمپنی نے 48.908 ملین روپے کی فروخت سے حاصل ہونے والی آمدنی (sales revenue) اور 8.405 ملین روپے کا مجموعی منافع (gross profit) حاصل کیا؛ اس کے مقابلے میں 30 جون 2025 کو ختم ہونے والے گزشتہ سال کے دوران فروخت سے آمدنی 23.681 ملین روپے اور مجموعی منافع 3.653 ملین روپے تھا۔ 3.375 ملین روپے کے آپریٹنگ اخراجات اور 77.389 ملین روپے کی دیگر آمدنی کا حساب کرنے کے بعد، کمپنی نے 82.420 ملین روپے کا آپریٹنگ منافع حاصل کیا، جبکہ 30 جون 2025 کو ختم ہونے والے گزشتہ سال میں یہ منافع 1.974 ملین روپے تھا۔ 4.625 ملین روپے کی مالیاتی لاگت (finance cost) اور 7.139 ملین روپے کے ٹیکس کو شامل کرنے کے بعد، کمپنی نے ٹیکس کے بعد 70.655 ملین روپے کا خالص منافع ظاہر کیا؛ اس کے برعکس گزشتہ سال کی اسی مدت کے دوران ٹیکس کے بعد 29.107 ملین روپے کا خالص نقصان ریکارڈ کیا گیا تھا۔

مزید برآں، کمپنی نے مارکیٹ لین دین کے ذریعے 'ڈائمنڈ انڈسٹریز لمیٹڈ' کے 1,422,450 حصص (shares) پر مشتمل اپنی سرمایہ کاری کی فروخت سے 75.951 ملین روپے کی رقم حاصل کی۔ اس رقم کو کمپنی کی واجب الادا ذمہ داریوں کی ادائیگی میں استعمال کیا گیا، جن میں ایک ڈائریکٹر سے لیے گئے قرض کی مد میں واجب الادا 33.491 ملین روپے اور منسلک اداروں (associated concerns) کو ادائیگی کے لیے 44.697 ملین روپے کی رقم شامل تھی۔ اس کے علاوہ، کمپنی نے مارک اپ (markup) کی ادائیگی کی مد میں اپنی ذمہ داری کو کامیابی کے ساتھ 40.700 ملین روپے



سے کم کر کے 27.293 ملین روپے کر دیا۔ ان اقدامات اور کمپنی کی مالیاتی پوزیشن میں بہتری کے نتیجے میں، شیئر ہولڈرز کی ایکویٹی (حصص یافتگان کا سرمایہ) مثبت ہو کر 0.128 ملین روپے تک پہنچ گئی، جبکہ گزشتہ سال اس میں 70.545 ملین روپے کا خسارہ (deficit) تھا

یہ اقدام کمپنی کی بیلنس شیٹ کو مستحکم کرنے کی جانب ایک اہم پیش رفت کی نمائندگی کرتا ہے اور فرنیچر کی تجارت کے آغاز کے ذریعے کاروباری بحالی اور بہتر مالی کارکردگی کی جانب اس کی مسلسل پیش رفت کو اجاگر کرتا ہے۔

ڈپٹی رجسٹرار آف کمپنیز، پشاور کی جانب سے دائر کردہ کمپنی کو بند کرنے (up-winding) کی درخواست کی مخالفت کمپنی کی جانب سے معزز پشاور ہائی کورٹ میں بھرپور طریقے سے جاری ہے۔ معزز عدالت میں جمع کرائے گئے بحالی کے منصوبے کے مطابق، انتظامیہ نے کمپنی کی فیکٹری کے احاطے میں فرنیچر کی تجارت کا آغاز کر دیا ہے۔ انتظامیہ کو امید ہے کہ فرنیچر سے متعلقہ سرگرمیوں کا پھیلاؤ کمپنی کے کاروباری آپریشنز کی بحالی کے لیے بنیاد فراہم کرے گا اور اس کی مستقبل کی مالی کارکردگی میں مثبت کردار ادا کرے گا۔ کمپنی کی بحالی اور تنوع (diversification) کی حکمت عملی کے تحت، شیئر ہولڈرز نے ایک خصوصی قرارداد کے ذریعے بنیادی کاروبار کو وسعت دینے اور اس میں تنوع لاتے ہوئے فرنیچر کی تیاری اور تجارت کو شامل کرنے کی منظوری دی۔ مزید برآں، مستقبل میں ایکویٹی کی توسیع کو آسان بنانے اور مجوزہ 'رائٹس الیو' (rights issue) نیز دیگر کاروباری ضروریات کے لیے سرمایہ کی وسیع تر بنیاد فراہم کرنے کی غرض سے کمپنی کے مجاز شیئر کیپٹل (authorized share capital) کو 120 ملین روپے سے بڑھا کر 400 ملین روپے کر دیا گیا

کمپنی نے مذکورہ بالا معاملات کے سلسلے میں ضروری کارپوریٹ اور ریگولیٹری اقدامات اٹھالیے ہیں۔ شیئر ہولڈرز کی آگاہی کے لیے مطلوبہ معلومات PUCARS کے ذریعے پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کو فراہم کر دی گئی ہیں، جبکہ ضروری کارپوریٹ دستاویزات رجسٹرار آف کمپنیز (پشاور)، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور دیگر متعلقہ حکام (جہاں بھی لاگو ہو) کو جمع کروادی گئی ہیں۔ متعلقہ دستاویزات کی جانچ پڑتال کا عمل فی الحال جاری ہے۔ انتظامیہ زیر التواء ریگولیٹری اور کارپوریٹ ضابطوں کی تکمیل، کمپنی کی مالی پوزیشن کو مستحکم کرنے، اور کمپنی و شیئر ہولڈرز کے بہترین مفاد میں اپنے کاروباری امور کی بحالی اور تنوع (diversification) کے لیے کوشاں رہنے کے عزم پر قائم ہے۔

فرسٹ کیپیٹل اے بی این ایمر وایکویٹیز (پاکستان) لمیٹڈ، لاہور اسٹاک ایکسچینج اور دیگر فریقین سے متعلق متنازعہ معاملات اور قانونی کارروائیوں کا کمپنی کی جانب سے متعلقہ عدالتی اور ریگولیٹری فورمز پر بھرپور انداز میں مقابلہ کیا جا رہا ہے۔ ان معاملات کی تفصیلات، بشمول اس سے وابستہ ممکنہ ذمہ داریوں (contingencies) اور وعدوں (commitments) کے، ظاہر کر دی گئی ہیں۔

وژن اور مشن:

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

فی حصص آمدنی:

30 جون 2026 کو ختم ہونے والے سال کے لیے فی حصص آمدنی 5.89 روپے رہی، جبکہ گزشتہ سال یہ آمدنی (2.43) روپے فی حصص تھی۔

حصص کی ملکیت کا نمونہ:

حصص کی ملکیت کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔



بورڈ کے اجلاس:

30 جون 2026 کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری کی تفصیل درج ذیل ہے:

04	چیف ایگزیکٹو	جناب افتخار شانی	1.
05	ڈائریکٹر	جناب محمد سمیر	2.
05	ڈائریکٹر	جناب ہاشم اسلم بٹ	3.
05	ڈائریکٹر	جناب محبت حسین	4.
05	ڈائریکٹر	جناب عمران کبیر	5.
05	ڈائریکٹر	محترمہ سیمہ افتخار	6.
05	ڈائریکٹر	جناب نذیر احمد	7.

بورڈ کمیٹیاں:

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

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

آڈٹ کمیٹی بیرونی آڈٹرز کی تقرری کے لیے BOD کو سفارش کرنے کی بھی ذمہ دار ہے، اور بیرونی آڈٹرز کے استعفیٰ یا ہٹانے، آڈٹ فیس اور کمپنی کو فراہم کردہ کسی بھی خدمات کی فراہمی کے سوال پر غور کرتی ہے تاکہ ان کی آڈٹ کارکردگی کے حوالے سے ان کی آزادی کا جائزہ لیا جاسکے۔ کمیٹی کی شرائط اور حوالہ اس کی تعمیل کے لیے تشکیل دیا گیا ہے اور مشورہ دیا گیا ہے۔

ہیومن ریسورسز اینڈ ریمونریشن کمیٹی (Remuneration Committee Human Resources &) کمپنی کے لیے درکار افرادی قوت اور ان کے معاوضوں کا جائزہ لینے کے ساتھ ساتھ حفاظتی اقدامات اور ماحولیاتی ذمہ داری کے امور کو باقاعدہ بنانے کی ذمہ دار ہے۔ یہ کمیٹی بورڈ کو انتظامی پالیسیوں اور اہم انتظامی عہدیداروں (جیسے کہ CFO، COO، کمپنی سیکریٹری، اور ہیڈ آف انٹرل آڈٹ، نیز وہ تمام عہدیدار جو براہ راست CEO کو رپورٹ کرتے ہیں) کے معاوضوں اور مراعات، بشمول ریٹائرمنٹ کے فوائد کے معاملات کا جائزہ لینے، ان پر غور کرنے اور ان کی منظوری دینے کے لیے سفارشات پیش کرتی ہے۔ کمیٹی اپنے تمام ملازمین کے لیے معاوضے اور فلاح و بہبود سے متعلق تمام پہلوؤں کو بھی یقینی بناتی ہے۔ مستقبل کا منظر نامہ:

کمپنی اپنے کاروباری امور کی بحالی اور مضبوطی کے لیے فرنیچر کی تیاری اور تجارت کے شعبوں میں توسیع (diversification) جیسے پیٹنگی اور فعال اقدامات کر رہی ہے۔ اس ترویجی اقدام کا مقصد اقلیتی حصص یافتگان کے مفادات کا تحفظ، پائیدار آمدنی کا حصول اور کمپنی کی مستقبل کی ترقی کے لیے کاروبار کی ایک مستحکم بنیاد قائم کرنا ہے۔ کمپنی کی بحالی کی حکمت عملی کی حمایت اور اپریل 2025 میں منعقدہ غیر معمولی اجلاس عام (EOGM) میں اراکین کی جانب سے منظور شدہ خصوصی قرارداد کی تعمیل میں، کمپنی کے بنیادی کاروبار میں فرنیچر کی تیاری اور تجارت کو شامل کرنے اور کمپنی کا نام "شانی کیمیکل انڈسٹریز لمیٹڈ" سے تبدیل کر کے "شانی انڈسٹریل انٹرپرائزز لمیٹڈ" رکھنے سے متعلق ضروری دستاویزات/فارم تیار کر کے رجسٹر آف کمپنیز



(پشاور) اور ایس ای سی پی (SECP) کے پاس جمع کروادیے گئے ہیں، جو فی الحال زیرِ جائزہ ہیں۔ انتظامیہ فرنیچر کے کاروبار کے امکانات کے بارے میں پرامید ہے اور کمپنی کے بحالی کے منصوبے پر عمل درآمد کرنے، مالی پوزیشن کو بہتر بنانے اور حصص یافتگان کے لیے پائیدار قدر (value) پیدا کرنے کے لیے پرعزم ہے۔

ضابطہ اخلاق:

ہمارا ضابطہ اخلاق مشترکہ اقدار کے ایک ایسے مجموعے پر مبنی ہے جو دیانت داری، راست بازی، تندہی، سچائی اور وقار کے اصولوں پر استوار ہے۔

آڈیٹرز:

موجودہ آڈیٹرز، میسرز تبسم سلیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کمپنی کے آئندہ سالانہ اجلاس عام کے اختتام پر سبکدوش ہو رہے ہیں۔ آڈٹ کمیٹی نے 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے میسرز تبسم سلیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے قانونی آڈیٹرز (statutory auditors) کے طور پر دوبارہ تعینات کرنے کی سفارش کی ہے۔ بورڈ آف ڈائریکٹرز نے اس سفارش کی توثیق کی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

کمپنی بغیر کسی استثناء کے کارپوریٹ گورننس کے اعلیٰ معیارات کو برقرار رکھنے کے لیے پرعزم ہے۔ ڈائریکٹرز کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ کمپنی کارپوریٹ گورننس کے ضابطہ کار (Code of Corporate Governance) کی دفعات کی پاسداری کر رہی ہے، جیسا کہ SECP کی جانب سے تقاضا کیا گیا ہے اور جو اسٹاک ایکسچینج کے لسٹنگ ضوابط کا حصہ ہیں۔ کارپوریٹ گورننس کے ضابطہ کار کی تعمیل کا بیان حسبِ ذیل ہے۔

ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے امور کی صورتحال، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی کے کھاتوں (accounts) کا ریکارڈ مناسب طریقے سے رکھا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابلِ اطلاق 'انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز' (International Financial Reporting Standards) اور 'کمپنیز ایکٹ، 2017' کے تقاضوں کی پیروی کی گئی ہے؛ اور اگر ان سے کوئی انحراف کیا گیا ہے تو اس کی مناسب وضاحت اور انکشاف کیا گیا ہے۔

- اندرونی کنٹرول (internal control) کا نظام ڈیزائن کے اعتبار سے مستحکم ہے اور اسے مؤثر طریقے سے نافذ اور مانٹر کیا گیا ہے۔
- کمپنی کی بطور 'گوینگ کنسرن' (یعنی کاروبار جاری رکھنے والی اکائی کے طور پر) کام جاری رکھنے کی صلاحیت کے بارے میں کوئی نمایاں شبہات موجود نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقوں (جیسا کہ لسٹنگ کے ضوابط میں تفصیل سے بیان کیا گیا ہے) سے کسی بھی اہم انحراف کا ارتکاب نہیں کیا گیا ہے۔

درج ذیل امور سے متعلق بیانات منسلک ہیں یا کھاتوں کے نوٹس (notes to the accounts) میں ظاہر کیے گئے ہیں:

- گزشتہ چھ سالوں کا اہم مالیاتی ڈیٹا



- شیئر ہولڈنگ کا طریقہ کار (pattern of shareholdings)
 - سال کے دوران منعقدہ بورڈ اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری
- اظہار تشکر:
- بورڈ کی جانب سے، میں عملے کے تمام ارکان اور انتظامی ٹیم کا ان کی مشترکہ کوششوں اور خدمات پر شکریہ ادا کرتا ہوں۔
- بورڈ کی جانب سے اور بورڈ کے لیے

لاہور: 2 اکتوبر 2026

عمران کبیر
ڈائریکٹر

افتخار شفیق
چیف ایگزیکٹو

**VISION / MISSION STATEMENT AND CORPORATE STRATEGY****Vision**

The Company's vision is to be a market leader as manufacturing and trading organization, contributing to the sustainable economic development of the country through quality products, customer satisfaction, innovation, and responsible business practices 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

To conduct the Company's business in accordance with the principles of good corporate governance, transparency, and ethical conduct while safeguarding the interests of all stakeholders. The Company is committed to developing a competent and dynamic team, ensuring the efficient utilization of resources, maintaining high professional standards, and delivering quality products that meet customer expectations. It also aims to provide a supportive working environment that promotes employee growth, professional development, and job satisfaction while fulfilling its social responsibilities.

Corporate strategy

The Company's corporate strategy is focused on reviving and expanding its business operations through the manufacturing and trading of furniture and other approved business activities. The Company aims to:

- Deliver quality products and services while striving to enhance customer satisfaction.
- Expand business operations and strengthen its market presence.
- Ensure the efficient and effective utilization of available resources.
- Strengthen financial performance and explore opportunities for sustainable growth.
- Create employment opportunities and promote professional development.
- Protect the interests of shareholders and other stakeholders through responsible business practices and sound corporate governance.

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:- 30-06-2026

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

1. The total number of directors are seven as per following:

- a) Male 6
- b) Female 1

2. The composition of Board is as follows:

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

- 3.** The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4.** The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5.** The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company.
- 6.** All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7.** The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- 8.** The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9.** All Directors are Exempt from Director Training Program. All the directors of the company have 16 to 40 years of working experience in their respective areas of specialization and are well aware of their duties & responsibilities and powers as per code of Corporate Governance and the Companies Act, 2017 which are crucial to the running and development of companies. Directors of the company have inculcated good governance practices in the corporate sector and have more than 14 years of education as well and thus fall under the exemption available in the Code of Corporate Governance. Further Mr Iftikhar Shaffi Chief Executive of the company and Chairman of Diamond Group of Industries is well known industrialist with vast and rich experience of about 40 years in managing large industrial units.



10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration, terms, and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

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

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

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

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

13. The terms of reference of the afore-said committees have been formed, documented and advice to the committee for compliance.
14. The frequency of meetings of the committees were duly been held as and when required but at least once of every quarter before approval of financial statements of the company.
15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that the partners of the firm involved in the audit are not a close relative (spouse, parents, dependent and non-dependent children) of the Chief Executive Officer, CFO, Head of Internal Audit, Company secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:



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

IFTIKHAR SHAFFI
Chief Executive

SEEMA IFTIKHAR
Chairman

IMRAN KABIR
Director



GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR 10 OF 2024

Following is gender pay gap calculated for the year ended June 30, 2026

- I. Mean Gender Pay Gap: Nil
- II. Median Gender Pay Gap: Nil
- III. Any other data/ details are deemed relevant.

As the company is operative at Khyber Pakhtoonkhwa (Swabi), wherein women commonly stay at home and do not work in factory premises no female worker or staff in the company.

On behalf of Board of Directors

IMRAN KABIR
Director

Dated : October 02, 2026



**INDEPENDENT AUDITOR'S REVIEW REPORT
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 prepared by the Board of Directors of Shaffi Chemical Industries Limited, (the Company) for the year ended June 30, 2026, in accordance with the requirements of regulation 36 of Regulations.

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. 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.

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, 2026.


TABUSSUM SALEEM & COMPANY
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER: Mr. Sarmad Ahmad Khan (FCA)
UDIN # CR202610933Cp52kYNDw



Dated: October 02, 2026
Place: Lahore



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

Opinion

We have audited the annexed financial statements of Shaffi Chemical Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the 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 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, 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1.1 to the financial statements, which indicates that the Company has accumulated losses of Rs. 127.869 million as at June 30, 2026, against shareholders' equity of Rs. 0.129 million. The Note further explains that the Regional Office of the Securities and Exchange Commission of Pakistan (SECP) has filed a winding-up petition against the Company before the Hon'ble Peshawar High Court. In addition, the Company's manufacturing operations have remained discontinued for several years, and the Company is presently engaged in trading activities without amending its principal object clause.

These conditions and events indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



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 our 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Following is the Key audit matter:

Key Audit Matters	How our audit addressed the key audit matters
1. Stock in trade Stock in trade as at June 30, 2026 amount to Rs. 12.23 million. We identified the existence and valuation of inventory as a key audit matter due to its size representing 49.24% of the total current assets. For further information on stock in trade Note 15.	• Our audit procedures to assess the existence and valuation of stock in trade, amongst others, included the following: • to test the quantity of stock at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on site. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • for a sample of stock in trade reperformed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets; • on a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any; • in the context of our testing of our calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents; and, • we also made enquiries of the management and considered the results of our testing above to determine whether any specific write down is required.
2. Revenue Recognition Revenue from sale of goods is recognized when the Company satisfies the performance obligation under the contract by transferring the promised goods to the customers. Revenue recognition criteria have also been explained in Note 2.8. We have identified revenue recognition as key audit matter as it is one of key	Our procedures to assess recognition of sales amongst others, include the following: • obtaining an understanding of and assessing the design and implementation of controls to ensure that revenue is recognized in the appropriate accounting period and based on accounting policy. • assessing the appropriateness of Company's accounting policies for revenue recognition



performance indicators of the Company and there is inherent risk that revenue transactions may not have been recognized in accordance with revenue recognition criteria.

- and compliance of those policies with applicable accounting and reporting standards;
- comparing on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period.
- checked on a sample basis recorded sales transactions with underlying supporting documentation; and
- assessed adequacy of related disclosures in the financial statements.

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can



arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
4. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Report on Other Legal and Regulatory Requirements

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the Purpose of the Company's business; and
- d) Zakat is deducted at source and deposited under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matters

The engagement partner on the audit resulting in this independent auditors' report is Mr. Sarmad Ahmad Khan (FCA)



Date: October 02, 2026
Place: Lahore



SHAFFI CHEMICAL INDUSTRIES LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	NOTE	2026 Rupees	2025 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 40,000,000 (2025: 40,000,000) ordinary shares of Rupees 10 each		400,000,000	400,000,000
Issued, subscribed and paid up share capital	3	120,000,000	120,000,000
FV Reserves	4	86,217	67,192
Accumulated Losses		(127,869,106)	(198,781,133)
Surplus on Revaluation of Land & Building		6,880,765	7,137,647
Surplus on Revaluation of Plant and Machinery (Held for Sale)		1,030,955	1,030,955
Total equity		128,831	(70,545,339)
LIABILITIES			
NON-CURRENT LIABILITIES			
Payable to Associated Company	5	-	44,696,519
Non Current Portion of Markup	6	20,292,544	-
		20,292,544	44,696,519
CURRENT LIABILITIES			
Payable to Director's	7	-	33,491,574
Trade and other payables	8	6,107,275	3,963,588
Current Portion of Markup	6	7,000,000	40,700,466
Provision for Taxation	9	7,139,107	296,012
		20,246,382	78,451,640
CONTINGENCIES AND COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		40,667,757	52,602,820



ASSETS	NOTE	2026 Rupees	2025 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	11	10,173,893	10,555,273
Long term investments	12	2,747,697	28,005,486
Long term deposits	13	223,560	223,560
		13,145,150	38,784,319
ASSETS CLASSIFIED AS HELD FOR SALE			
	14	2,693,285	2,693,285
CURRENT ASSETS			
Stock-in-trade	15	12,227,223	5,703,839
Trade debts	16	3,303,538	2,671,630
Advance income tax - net	17	6,434,365	240,363
Other receivables	18	788,542	1,366,691
Cash and bank balances	19	2,075,654	1,142,693
		24,829,322	11,125,216
Total Current Assets		27,829,322	13,818,501
TOTAL ASSETS		40,667,757	52,602,820

The annexed notes from 1 to 41 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director



SHAFFI CHEMICAL INDUSTRIES LIMITED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2026

	NOTE	2026 Rupees	2025 Rupees
Revenue	20	48,908,890	23,681,012
Cost Of Sales	21	(40,503,410)	(20,027,487)
Gross Profit		8,405,481	3,653,525
Administrative Expenses	22	(1,365,167)	(3,764,291)
Other Expenses	23	(2,009,947)	(193,140)
		(3,375,114)	(3,957,431)
		5,030,367	(303,906)
Other Income	24	77,389,676	2,278,252
Profit From Operations		82,420,043	1,974,346
Finance Cost	25	(4,625,790)	(7,159,203)
		77,794,253	(5,184,857)
Gain Or Loss From Discontinued Operations		-	-
Share Of Income/ (Loss) From Associated Company		-	(23,485,100)
Profit Before Levy & Taxation		77,794,253	(28,669,957)
Levy			
- Current Year	26	(7,139,108)	(296,013)
- Share Of Levy In Associated Company		-	(468,112)
		(7,139,108)	(764,125)
Taxation			
- Current Year		-	-
- Share Of Taxation In Associated Company	27	-	326,213
		-	326,213
Profit After Taxation		70,655,145	(29,107,869)
Earnings Per Share - Basic And Diluted	28	5.89	2.43

The annexed notes from 1 to 41 form an integral part of these financial statements.


Chief Executive


Chief Financial Officer


Director



SHAFFI CHEMICAL INDUSTRIES LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	2026 Rupees	2025 Rupees
PROFIT AFTER TAXATION	70,655,145	(29,107,869)
OTHER COMPREHENSIVE (LOSS) / INCOME		
Items that will not be reclassified to profit or loss:		
(Deficit) / surplus arising on re-measurement of investment at fair value through other comprehensive income	-	-
Items that may be reclassified subsequently to profit or loss		
Share in Unrealized gain/ (loss) arising on remeasurement of available for sale investments of associated companies	-	14,385,009
Unrealized gain arising on remeasurement of available for sale investments	19,025	35,298
Other comprehensive (loss) / income for the year	19,025	14,420,307
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	70,674,171	(14,687,562)

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE
Chief Executive

CHIEF FINANCIAL OFFICER
Chief Financial Officer

DIRECTOR
Director



SHAFFI CHEMICAL INDUSTRIES LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2026

	NOTE	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	29	44,667,497	5,356,834
Finance cost paid		(4,625,790)	(7,159,203)
Income tax paid		(6,490,014)	(47,685)
Gain on disposal of shares		(69,578,759)	-
Impairment loss / (Reversal) of investment in associates		-	(2,278,252)
Net cash (used in) / generated from operating activities		(36,027,066)	(4,128,306)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		-	-
Investment made in Listed Entities		(2,651,292)	-
Proceeds from disposal of operating fixed assets		-	-
Proceeds from disposal of associates shares		97,506,868	-
Profit on deposit accounts received		-	-
Dividend income received		-	-
Net cash from / (used in) investing activities		94,855,576	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Reclassification of Markup		20,292,544	-
Loan from associated company		(44,696,519)	4,481,678
Loan from Director		(33,491,574)	-
Net cash used in financing activities		(57,895,549)	4,481,678
NET INCREASE IN CASH AND CASH EQUIVALENTS		932,961	353,372
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		1,142,693	789,321
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		2,075,654	1,142,693

The annexed notes from 1 to 41 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director





SHAFFI CHEMICAL INDUSTRIES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2026

1.0 STATUS AND NATURE OF BUSINESS

The Company was incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017) as Public Limited Company on 27th December 1994. The shares of the company are quoted on Karachi and Lahore Stock Exchanges. The principal activity of the company was to manufacture and process of Di-Octyle-Ortho Phthalates (DOP) Chemicals which has been changed with trading of furniture, foam and mattresses. The registered office of the company is situated at Gadoon Amazai, Industrial Estate, Swabi (Kyberpakhtoonkhwa).

1.1 GOING CONCERN ASSUMPTION

The Company has accumulated losses of Rupees 127.869 million, while its shareholders' equity stands at Rupees 0.129 million. Furthermore, the Regional Office of the Securities and Exchange Commission of Pakistan (SECP) has filed a petition before the Peshawar High Court for the winding-up of the Company. The Company has also discontinued its manufacturing operations for several years.

During the financial year 2022–2023, the Board of Directors decided to commence trading in furniture without amending the principal object clause of the Company's Memorandum of Association with the relevant regulatory authority, i.e., the Securities and Exchange Commission of Pakistan (SECP).

Notwithstanding the above conditions and events, the Company reported a profit before tax of Rupees 77.794 million for the year under audit. Based on the financial performance reported during the year, management believes that the Company will be able to continue its operations and, accordingly, has prepared the financial statements on a going concern basis.

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

Management of the company has increased authorized capital and intend to issue right shares to improve liquidity of the Company.
There is on other significant event during the year

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1.4 Basis of 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 using going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively. In realizable / settlement value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, which are the undiscounted amount of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business.

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:

- i)- Realizable / settlement values of assets and liabilities respectively
- ii)- Provisions
- iii)- Employees' Retirement benefit

Inventories

These are valued at the lower of moving average and net realizable value. Items considered obsolete are carried at nil value and items in transit are value at cost comprising invoice value plus other charges paid thereon. Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make a sale.

Income tax Levy

As explained in note 3.3, in accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the Institute of Chartered Accountants of Pakistan ('ICAP'), these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

Current

Deferred

Deferred tax is accounted for using the liability method in respect of all 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 generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is 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.



Allowance for expected credit losses (ECL)

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

Revenue from contracts with customers involving sale of goods

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

Impairment of investment in associate

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

Standards, amendments to published standards and interpretations that are effective for the year and are relevant to the Company.

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial statements.

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

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective from accounting period beginning on or after :
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2027
	Annual improvements to IFRS 7, IFRS 9, IFRS 10 (consolidated financial statements) and IAS 7 (statements of cashflows)	January 1, 2026

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretations that have been notified locally or declared

IFRS 1	First time adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement.
IFRS 20	Regulatory Assets and Regulatory Liabilities

1.6 Provisions

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

1.7 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss, except those subject to revaluation which are stated at revalued amount less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount 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. 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 benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the assets charged to the statement of profit or loss and depreciation based on the asset's original cost, is reclassified from surplus on revaluation of property, plant and equipment to accumulated loss. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Depreciation

Depreciation on property, plant and equipment is charged to 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 at the rates given in Note 11. The Company charges the depreciation on additions from the month of acquisition and on deletions up to the month preceding the disposal 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.

Capital work in progress

Capital work-in-progress is stated at cost less any recognized impairment loss and is transferred to the property, plant and equipment as and when asset is available for use.

De-recognition

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



1.8 Discontinued Operations

A discontinued operation is a component of the Group that has either been disposed of or is classified as held for sale and: represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss. The post-tax profit or loss of discontinued operations, together with the post-tax gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets/disposal group constituting the discontinued operation, are disclosed as a single line item: "Profit/(loss) from discontinued operations". Comparative information in the statement of profit or loss is re-presented for all periods presented, to classify operations that have been discontinued in the current year separately from continuing operations. The cash flows attributable to discontinued operations are presented separately in the statement of cash flows or disclosed in the notes to the financial statements.

1.9 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. Since the Going Concern assumption of Company is not valid therefore Right to use assets, if any, shall be measured at net realizable value.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at 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.

2.0 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 derecognition 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 derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

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

Equity instruments

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

2.1 Financial liabilities - classification and measurement

Company classifies its financial liabilities at amortized cost or fair value to profit or loss (FVTPL). The classification depends on the Company's business model for managing financial assets and financial liabilities and the contractual term of cash flows.

2.2 Impairment of financial assets

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

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

2.3 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.

2.4 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.



2.5 Investment in associate – (with significant influence)

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the associates's share of the post-acquisition profits or losses of the investee in profit or loss, and the associates's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the associates's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee company. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Associates. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in relevant note.

2.6 Trade debts and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days. The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.7 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.

2.8 Revenue from contracts with customers

i) Revenue recognition

Sale of goods

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

Interest

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

Dividend

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

Other revenue

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

ii) Contract assets

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

iii) Customer acquisition costs

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

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

iv) Customer fulfilment costs

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

v) Right of return assets

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

vi) Contract liabilities

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

vii) Refund liabilities



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

2.9 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.

2.10 Share capital

Ordinary shares are classified as equity.

2.11 Government grants

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

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

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

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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 December 30, 2017.

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

2.17 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.

2.18 Functional and presentation currency

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.

2.20 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.



2.21 Loans, Advances and other Receivables

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

2.22 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.

2.23 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.

2.24 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.

3 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2026	2025	NOTE	2026 Rupees	2025 Rupees
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

Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

3.1	Names of the holding company, associated companies and other related parties	Basis of relationship	Transactions entered into or agreements and / or arrangements in place during the financial year		Percentage of shareholding of the Company	
			2026	2025		
	Diamond Industries Limited	Common Directorship	Yes	No	31.285%	3,754,240
	Diamond Corporation (Private) Limited	Common Directorship	No	No	1.467%	176,000
	Diamond Home Textile (Private) Limited	Common Directorship	Yes	No	2.125%	255,000
	Capital Industries Enterprises (Private) Limited	Common Directorship	Yes	Yes	0.175%	21,002
	Diamond Product (Private) Limited	Key Management Personnel	Yes	Yes	1.083%	130,000
	Mr. Iftikhar Shaffi	Chief executive officer	Yes	Yes	10.286%	1,234,284
	Mr. Nazir Ahmed	Director	No	No	0.001%	100
	Mr. Muhammad Sameer	Director	No	No	0.004%	500
	Mr. Imran Kabir	Director	No	No	0.004%	500
	Mrs. Seema Iftikhar	Director	No	No	3.290%	728,833
	Mr. Hashim Aslam Butt	Director	No	No	0.004%	500
	Mr. Mohib Hussain	Director	No	No	0.004%	500
	Mr. Mubashir Iftikhar	Key Management Personnel	No	No	6.269%	752,300
	Mr. Muddasir Iftikhar	Key Management Personnel	Yes	No	3.469%	416,300

4 SURPLUS ON REVALUATION OF FIXED ASSETS

	NOTE	2026 Rupees	2025 Rupees
Surplus on Land			
Opening balance		2,000,000	2,000,000
Add: Revaluation during the year		-	-
Revaluation surplus on land		2,000,000	2,000,000
Surplus on Buildings			
Opening balance		12,833,843	12,833,843
Add: Revaluation during the year		-	-
Total revaluation surplus on building		12,833,843	12,833,843
Less: Incremental depreciation charged in previous years		7,696,196	7,425,794
Less: Incremental depreciation charged in current years		256,882	270,402
Revaluation surplus on building net off incremental depreciation		7,953,078	7,696,196
		4,880,765	5,137,647



Surplus on Plant and Machinery-Held for Sale

Opening balance

Add: Revaluation during the year

Total revaluation surplus on plant and machinery

Less: Incremental depreciation charged in previous years

Less: Incremental depreciation charged in current years

7,953,078	7,696,196
18,900,925	18,900,925
-	-
18,900,925	18,900,925
17,869,970	17,869,970
-	-
17,869,970	17,869,970
1,030,955	1,030,955
7,911,720	8,168,602

Revaluation surplus on plant and machinery net off incremental depreciation

Closing balance

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

5 Payable to associated company

From Banking Companies - Secured

From Associated Companies - Un-Secured

NOTE	2026 Rupees	2025 Rupees
	-	-
5.1	-	44,696,519
	-	44,696,519

- 5.1 This represented a loan of Rs. 44,696,519 obtained from an associated concern, carrying markup at the rate of Kibor+2.5% per annum and was utilized to meet the Company's working capital requirements. During the year, the entire principal amount of Rs. 44,696,519 has been fully repaid to the associated concern, and accordingly, no balance was outstanding as at 30th June 2026 (2025: Rs. 44,696,519). Markup accrued on the said loan amounting to Rs. 27,292,544 remains outstanding as at 30th June 2026 (2025: 40,700,466) and is included in Accrued Markup in these financial statements.

The Company is associated with the said concern on account of common directorship. This loan constitutes a related party transaction under IAS 24 'Related Party Disclosures' and has been disclosed in Note No 30 – Related Party Transactions to these financial statements.

6 LONG TERM PORTION OF MARKUP

Long term portion of Markup

Less : Current portion of Markup

27,292,544	-
(7,000,000)	-
20,292,544	-

The Company has reclassified markup on long-term financing from an associated company into current and non-current portions based on the repayment schedule.

The Company is obligated to pay Rs. 7,000,000 within the next 12 months (current portion), with the remaining balance of Rs. 20,292,544 payable over the subsequent four years at Rs. 5,073,136 per annum.

7 PAYABLE TO DIRECTORS

Mr. Mudassar Iftikhar

NOTE	2026 Rupees	2025 Rupees
7.1	-	33,491,574
	-	33,491,574

- 7.1 This represented an unsecured, interest-free loan of Rs. 33,491,574 obtained from a director of the Company, repayable on demand, with no fixed or agreed terms of repayment, and was utilized to meet the Company's working capital requirements. During the year, the entire loan amount of Rs. 33,491,574 has been fully repaid to the director, and accordingly, no balance was outstanding as at 30th June 2026. (2025: Rs. 33,491,574).

This loan constitutes a related party transaction under IAS 24 'Related Party Disclosures' and has been disclosed in Note No 30 – Related Party Transactions to these financial statements.

8 Trade and Other Payables

Unsecured :

Trade creditors and other payables

Sales tax payable

Accrued expenses

Worker's Welfare Fund payable

Payable to Mr Iftikhar Shaffi (Dividend)

NOTE	2026 Rupees	2025 Rupees
	1,042,921	766,239
	81,874	38,863
	714,476	468,430
	1,577,948	-
	2,690,056	2,690,056
	6,107,275	3,963,588

6 CURRENT PORTION OF MARKUP

Current portion of Markup

7,000,000	40,700,466
7,000,000	40,700,466

9 PROVISION FOR TAXATION & LEVY

Balance at the beginning of the year

Adjustment made during the year

Provision for the year

NOTE	2026 Rupees	2025 Rupees
	296,012	252,983
	(296,013)	(252,983)
	-	-
	7,139,108	296,013
	7,139,107	296,012

- 9.1 The income tax affairs of the Company have been assessed up to and including tax year 30th June 2026 under the self-assessment scheme, as envisaged under Section 120 of the Income Tax Ordinance, 2001. No appeal is currently pending before any appellate forum, either by the Company or by the tax department, against any assessment order. Furthermore, in the opinion of the management, there is no other tax matter outstanding as at the reporting date which requires disclosure in these financial statements.



9.2 DEFERRED LIABILITIES

Deferred Taxation

NOTE June 2026
Rupees June 2026
Rupees

9.2.1 - -

9.2.1 Provision for Deferred Taxation

Deferred taxation liability comprises as follows :

Taxable temporary differences

Accelerated tax depreciation allowance

Net temporary differences

Effect of accumulated tax losses

Non recognition of Deferred tax asset

9.2.2

2026		
Balance at the beginning of the year	Recognized in profit & loss account	Balance at end of the year
2,227,039	(1,441,720)	785,318
2,227,039	(1,441,720)	785,318
2,227,039	(1,428,569)	785,318
(15,318,177)	287,943	(15,030,234)
(13,091,138)	(1,153,777)	(14,244,916)
13,091,138	1,153,777	14,244,916
2025		
Balance at the beginning of the year	Recognized in profit & loss account	Balance at end of the year
2,330,432	(103,393)	2,227,039
-	-	-
2,330,432	(103,393)	2,227,039
2,330,432	(103,393)	2,227,039
(14,637,501)	(680,676)	(15,318,177)
(12,307,070)	(784,068)	(13,091,138)
12,307,070	784,068	13,091,138
-	-	-

Deferred taxation liability comprises as follows :

Taxable temporary differences

Accelerated tax depreciation allowance

Surplus arising on revaluation of property, plant and equipment

Net temporary differences

Effect of accumulated tax losses

Non recognition of Deferred tax asset

9.6.2

9.2.2 Deferred tax asset of Rs. 14.245 million (2025: 13.091 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.

10 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)



**d. Muhammad Hanif Moosa Vs Iftikhar Shaffi etc.
(Suit No. 843/2003)**

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

II. LAHORE HIGH COURT LAHORE

**Diamond Industries Ltd and Shaffi Chemical Industries Ltd. Vs Lahore Stock Exchange".
(Civil Revision No.1847 of 2003)**

The Company filed a Revision Petition against an interim order of the Civil Judge Lahore passed in Civil Suit No. 297/2003. The Honorable Lahore High Court vide its order dated 17-06-2026, dismissed this civil revision. Now the company is in the process of assailing the impugned order before the honorable Supreme Court of Pakistan.

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. 2928/2013 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 (CC 1/2018)

The Deputy Registrar of Companies has initiated the winding up proceedings before Peshawar High Court, based on suspension of 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, ABL and the Company have mutually entered into a settlement, and consequently all pending cases have been withdrawn by both sides. The management of the company is now vigorously trying for revival of the company and has presented a proposed revival plan in the court, which is under consideration.

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.

11 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

10,173,893	10,555,273
10,173,893	10,555,273

12 INVESTMENTS

Investment in Associated Company -Lower of NRV or equity
Other Investment (FVTOCI)

NOTE	2026 Rupees	2025 Rupees
12.1	-	27,928,107
12.2	2,747,697	77,379
	<u>2,747,697</u>	<u>28,005,486</u>

**12.1 Associated Company-(with significant Influence)- Equity Method
Diamond Industries Limited.**

Nil (2025: 1,422,450 fully paid ordinary shares of Rs.10 each

Equity held Nil% (2025: 15.80 %)

Share in net assets at the end of the period

Less: Impairment loss at the end of the period

-	27,928,107
-	-
-	27,928,107

Share in net assets at the beginning of the period

- **37,170,097**

Add: Share in profit / (loss) before taxation

Share in taxation

Share in Levy

Effect of prior year adjustments/other adjustments

Share of gain/(loss) arising on measurement of available for sale investment

-	(23,485,100)
-	326,213
-	(468,112)
-	-
-	14,385,009
-	(9,241,990)
-	27,928,107



Accumulated impairment loss at the beginning of the period

Impairment loss charged during the period

Reversal of impairment loss during the period

Net (impairment loss)/reversal for the period

Accumulated impairment loss at the end of the period

Share in net assets at the end of the period

-	(2,278,252)
-	-
-	2,278,252
-	2,278,252
-	-
-	27,928,107

12.1.1 Summarized financial information of associated company

Assets

Current Assets

Non Current Assets

Liabilities

Current Liabilities

Non Current Liabilities

Net Assets

March 2026	March 2025
Un-Audited	Un-Audited
161,258,514	43,249,086
640,253,352	407,949,924
(307,392,386)	(82,432,168)
(88,963,493)	(192,062,582)
405,155,987	176,704,260

Reconciliation to Carrying amounts:

As at 01 march

Profit After Income Tax

Other Comprehensive income / (Loss)

As at 30 September

176,704,248	235,179,359
25,035,147	(149,494,657)
203,416,581	91,019,546
405,155,976	176,704,248

Company's Share

NIL	15.805%
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Goodwill

Carrying Value

-	-
-	27,928,107

Summerised Statement of Comprehensive Income

Revenue

Profit for the Year

Other Comprehensive Income for the Year

Total Comprehensive Income / (Loss)

Dividend received from the associates

-	-
27,448,589	(151,347,924)
175,524,012	81,365,108
202,972,601	(69,982,816)
-	-

Interest in Diamond Industries Limited associated Company

Country of Incorporation	% of ownership		Measurement		Quoted fair value		Carrying amount	
	2026	2025	2026	2025	2026	2025	2026	2025

-----Rupees-----

-----Rupees-----

Pakistan	NIL	15.805%	N/A	Equity Method	See Note No 12.1.4	-	27,928,107
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12.1.2 There was no significant transaction or event occurred in associated company between March 31, 2026 and September 30, 2026, therefore there is no need to take any adjustment.

12.1.3 It is impracticable to use same date financial statements for calculating breakup value of shares because diamond industries Limited also have shares in Shaffi Chemicals Industries Limited therefore a loop is created to calculate 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 statement of March 2025 is used for calculating value of share under equity method.

12.1.4 The shares of Diamond industries Limited is at market price of Rs. 60.67 (2025: 23.6) per share.

12.2 Investment in Listed Company

Ghani Global Glass Limited (GGGL)

JS Bank Limited (JSBL)

Cnergyico Pk Limited (CNERGY)

Sui Northern Gas Pipelines Limited (SNGPL)

No. of Shares	Price Per Share	Value Rs.
130,000	9.12	1,185,600
11,000	12.17	133,870
165,000	8.17	1,348,050
663	120.93	80,177
306,663		2,747,697



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Fair Value Adjustment

	2026 Rupees	2025 Rupees
Opening Balance	67,192	31,894
Sui Northern Gas Pipeline Limited (SNGPL)	2,798	35,298
Ghani Global Glass Limited (GGGL)	60,917	-
JS Bank Limited (JSBL)	(21,171)	-
Cnergyico Pk Limited (CNERGY)	(23,518)	-
	19,025	35,298
Transferred to retained earning on disposal	-	-
	86,217	67,192

Detail of shares purchased	Date of Purchase	No of Shares purchased	Price per Share	2026 Rupees	2025 Rupees
Ghani Global Glass Limited (GGGL)	02/06/2026	120,000	8.6916	1,042,992	-
Ghani Global Glass Limited (GGGL)	03/06/2026	10,000	8.1691	81,691	-
		130,000		1,124,683	-
JS Bank Limited (JSBL)	10/04/2026	10,000	14.0874	140,874	-
JS Bank Limited (JSBL)	02/06/2026	1,000	14.1674	14,167	-
		11,000		155,041	-
Cnergyico Pk Limited (CNERGY)	02/06/2026	40,000	8.4517	338,068	-
Cnergyico Pk Limited (CNERGY)	24/06/2026	125,000	8.268	1,033,500	-
		165,000		1,371,568	-
Total Purchase Cost				2,651,292	-

13 SECURITY DEPOSITS

	2026 Rupees	2025 Rupees
Utilities	70,760	70,760
Gas	127,800	127,800
Central Depository Co. Ltd.	25,000	25,000
	223,560	223,560

14 NON-CURRENT ASSETS HELD FOR SALE

The principal activity of the company was to manufacture and process of Di-Octyle-Ortho Phthalates (DOP) Chemicals. In 2015 company seized its operations and laid off all its employees, it was intention of the Company to continue its manufacturing operations any time, but in 2023 company changed its operations from manufacturing to trading. In current year management of the company decided to sell its plant and machinery installed for manufacturing of Di-Octyle-Ortho Phthalates (DOP) chemical in foreseeable future at arms length, therefore held for sale.

	Cost immediate before held for sale	Accumulated Depreciation immediate before held for sale	Fair Value 2026	Fair value 2025	Carring Value
Plant and Machinery					
Opening Balance	50,299,633	(47,606,348)	2,608,035	2,763,285	2,693,285
Less : Cost to Sell			(65,145)	(24,650)	-
Closing Balance			2,542,890	2,738,635	2,693,285

The principal activity of the company was to manufacture and process of Di-Octyle-Ortho Phthalates (DOP) Chemicals. In 2015 company seized its operations and laid off all its employees, it was intention of the Company to continue its manufacturing operations any time, but in 2023 company changed its operations from manufacturing to trading. In current year management of the company decided to sell its plant and machinery installed for manufacturing of Di-Octyle-Ortho Phthalates (DOP) chemical in foreseeable future at arms length, therefore held for sale.

15 STOCK-IN-TRADE

Raw materials	-	-
Less: Provision for slow moving stock	-	-
Finished goods	12,227,223	5,703,839
	12,227,223	5,703,839

16 TRADE DEBTS



Considered good:

Other than related parties - unsecured
Allowance for expected credit loss

16.1	3,303,538	2,671,630
	-	-
	3,303,538	2,671,630

16.1 ALLOWANCE FOR EXPECTED CREDIT LOSS

Opening Balance
Provision for the year
Balance written off during the year
Less: Reversal of expected credit loss (ECL)
Closing Balance

-	-
-	-
-	-
-	-
-	-

NOTE

2026	2025
Rupees	Rupees

17 ADVANCE INCOME TAX - NET

Advance income tax	6,821,092	493,346
Less: Provision for taxation	(296,012)	(252,983)
Less: Admitted Tax	(90,715)	-
	6,434,365	240,363

NOTE

2026	2025
Rupees	Rupees

18 OTHER RECEIVABLES

Sales Tax Receivable
Prepayments from first capital ABN AMRO Equities(Pak)Ltd
Margin against bank guarantees (Sui Gas)

18.1

88,542	666,691
-	-
700,000	700,000
788,542	1,366,691

18.1 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	(157,950,240)	(157,950,240)
Amount recoverable	-	-

18.2 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.

19 CASH AND BANK BALANCES

Cash in hand

1,030,283 563,606

Cash with banks:

Current accounts
Deposit accounts

1,045,371	579,087
-	-
1,045,371	579,087
2,075,654	1,142,693

NOTE

2026	2025
Rupees	Rupees

20 REVENUE

Revenue from contracts with customers:

Local Sales	57,712,495	27,943,595
Less: Sales Tax	(8,803,605)	(4,262,583)
	48,908,890	23,681,012



20.1 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition:

	NOTE	2026 Rupees	2025 Rupees
Countries			
Pakistan		48,908,890	23,681,012
		48,908,890	23,681,012
	NOTE	2026 Rupees	2025 Rupees
Timing of revenue recognition			
Products and services transferred at a point in time		48,908,890	23,681,012
Products and services transferred over time		-	-
		48,908,890	23,681,012
Major products / service lines			
Foams & furniture		48,908,890	23,681,012
Other products		-	-
		48,908,890	23,681,012

20.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

	NOTE	2026 Rupees	2025 Rupees
21 COST OF SALES			
Purchases-net		39,426,294	20,728,148
Salaries, Wages & Benefits	21.1	6,577,426	2,750,000
Fuel & Power		1,023,073	1,052,403
Misc. Expenses		-	75,717
Depreciation		-	-
		47,026,793	24,606,268
Add: Finished Goods-Opening		5,703,839	1,125,058
		52,730,632	25,731,326
Less: Finished Goods-Closing		(12,227,223)	(5,703,839)
		40,503,410	20,027,487

21.1 This includes gratuity amounting to Rs. Nil/- (2025: Rs. Nil/-)

	NOTE	2026 Rupees	2025 Rupees
22 ADMINISTRATIVE EXPENSES			
Salaries Wages & Benefits	22.1	-	-
Communications		-	128
Fees & Taxes		454,117	2,851,962
Insurance		407,762	408,243
Printing & Stationery		121,908	7,282
Other Expenses		-	94,800
Depreciation		381,380	401,876
		1,365,167	3,764,291



22.1 This includes gratuity amounting to Rs. Nil/- (2025: Rs. Nil/-)

	NOTE	2026 Rupees	2025 Rupees
23 OTHER OPERATING EXPENSES			
Auditor's remuneration	23.1	432,000	193,140
Worker's Welfare Fund		1,577,947	-
		2,009,947	193,140
23.1 Auditor's remuneration			
Audit fee		350,000	135,000
Half yearly review		50,000	31,500
Punjab Sales Tax		32,000	26,640
		432,000	193,140
24 OTHER OPERATING INCOME			
Reversal of Impairment in associates previously charged in Profit and Loss		-	(2,278,252)
Interest Income		37,974	
Dividend Income		1,400,511	
Gain on disposal		75,951,191	
		77,389,676	(2,278,252)
25 FINANCE COST			
Markup on short term loans		4,592,524	7,157,903
Bank charges		33,266	1,300
		4,625,790	7,159,203
26 LEVY			
Minimum tax - Difference		611,361	296,013
Dividend		210,077	-
Capital Gain		6,317,670	-
		7,139,108	296,013
27 TAXATION			
Current		-	-
Prior year adjustment		-	-
Deferred Tax		-	-
Share of Tax of Associated Company		-	326,213
		-	326,213
27.1 Reconciliation between tax expense and accounting profit			
No reconciliation is required between the accounting profit and tax profit in the current year since the company falls under minimum tax regime under section 113			
28 EARNINGS PER SHARE - BASIC AND DILUTED			
(Loss)/Profit for the year after taxation	(Rupees)	70,655,145	(29,107,868)
Average no of shares	(Numbers)	12,000,000	12,000,000
		5.89	-2.43

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.



	NOTE	2026 Rupees	2025 Rupees
29 CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		77,794,253	(28,669,957)
Adjustments for:			
Depreciation on operating fixed assets		381,380	401,876
Share of Profit/(Loss) of associated company		-	23,485,100
Finance Cost		4,625,790	7,159,203
Working Capital Changes		(38,133,923)	2,980,612
		(33,126,752)	34,026,791
		44,667,501	5,356,834
29.1 Working capital changes			
Decrease / (increase) in current assets			
Stock in trade		(6,523,384)	(4,578,781)
Trade debts		(631,908)	74,036
Other receivables		578,149	(215,646)
		(6,577,143)	(4,720,391)
(Decrease) / increase in current liabilities			
Markup payable		(33,700,466)	
Trade and other payables		2,143,687	7,701,003
		(31,556,780)	7,701,003

30 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

No remuneration/other allowances were paid to any Executives, Directors or chief executive of the company. Detail is as follows:

	Chief Executive		Director	
	2026	2025	2026	2025
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	-	-	-	-
Allowances:	-	-	-	-
	-	-	-	-
Number of persons	1	1	6	6

31 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:



	2026 (Rupees in Million)	2025 (Rupees in Million)
Loan from Associated Concern		
Capital Industrial Enterprises (Private) Limited		
Opening Balance	44.697	40.215
Loan obtained during the year	-	4.482
Loan Repaid during the year	(44.697)	-
Closing Balance	-	44.697
Mark-up on loan from Associated Concern		
Capital Industrial Enterprises (Private) Limited		
Opening Balance	40.700	33.543
Mark-up accrued during the year	4.593	7.158
Mark-up paid during the year	(18.000)	-
Closing Balance	27.293	40.700
Loan from Director		
Loan from Director - Mr Mudassar Iftikhar		
Opening Balance	33.492	33.492
Loan obtained during the year	-	-
Loan Repaid during the year	(33.492)	-
Closing Balance	-	33.492
Investment of Associated Company		
Diamond Industries Limited		
	(Percentage)	
Opening shareholding	15.805%	15.805%
Shares acquired during the year	-	-
Shares disposed during the year	15.805%	-
Closing shareholding	-	15.805%

Shaffi Chemicals Industries Limited fully disposed of its entire shareholding in the Company during the year.

Shaffi Chemicals Industries Limited and Diamond Industries Limited are associated companies of each other by virtue of common directorship, the Chief Executive Officer of both companies being the same person.

Purchases from Related Party

Diamond Product (Private) Limited	(Rupees in Million)	
Purchases made during the year (excluding sales tax)	15.07	20.73
Diamond Home Textile (Private) Limited	(Rupees in Million)	
Purchases made during the year (excluding sales tax)	15.99	-
Diamond Industries Limited	(Rupees in Million)	
Purchases made during the year (excluding sales tax)	8.36	-



32 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

In accordance with the requirements of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 1278(I)/2024 dated August 15, 2024, the company has disclosed its assets, liabilities, income and expenditure related to financing, investments and other income/expenses etc. between shariah and conventional elements as follows:

Note	2026			2025		
	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
----- Rupees -----						
Statement of Financial Position - Asset						
12 Long term investments	2,747,697	-	2,747,697	28,005,486	-	28,005,486
19 Cash and bank balances	2,075,654	-	2,075,654	1,142,693	-	1,142,693
Statement of Financial Position - Liabilities						
Contract liabilities - un-secured	-	-	-	44,696,519	33,491,574	78,188,093
Statement of Profit or Loss						
20 Revenue	-	48,908,890	48,908,890	-	23,681,012	23,681,012
Profit on deposit accounts	7,595	-	7,595	-	-	-
Dividend income	1,400,511	-	1,400,511	-	-	-
Net exchange gain	-	-	-	-	-	-
Unrealized gain / (loss) on remeasurement of investment at FVTOCI	19,025	-	19,025	35,298	-	35,298



33 FINANCIAL RISK MANAGEMENT

33.1 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.

33.1.1 Market risk

(i) Currency risk

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

The company is not exposed to currency risks.

(ii) Sensitivity analysis

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

(iii) Other price risk

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

(iv) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is geared only to the extent of borrowings 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:

	2026 Rupees	2025 Rupees
Floating rate instruments		
Financial liabilities		
Borrowings - Un secured	-	78,188,093

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.

33.1.2 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:

	2026 Rupees	2025 Rupees
Investments	2,747,697	28,005,486
Long Term Deposits	223,560	223,560
Loans and Advances	6,434,365	240,363
Other Receivables	788,542	1,366,691
Stock in trade	12,227,223	5,703,839
Cash and Bank Balances	2,075,654	1,142,693
	24,497,041	36,682,632



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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			2026	2025
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	21,453	21,453
United Bank Limited	A1+	AAA	VIS	285,489	-
Silk Bank				317,770	551,872
Askari Bank Limited	A1+	AAA	PACRA	2,094	2,094
Bank Alfalah Limited	A1+	AAA	PACRA	970	970
Summit Bank	A2	A-	VIS	2,698	2,698
Habib Bank Limited	A1+	AAA	VIS	414,897	-
				<u>1,045,371</u>	<u>579,087</u>

The Company's exposure to credit risk and impairment losses related to trade debts is Nil because these relate to a number of independent customers from whom there is no recent history of default.

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.

33.1.3 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 Jun 2026

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	1-2 Year
(Rupees)						
Non-derivative financial liabilities:						
Unclaimed Dividend	2,690,056	2,690,056	2,690,056	-	-	-
Mark-up on Borrowings	7,000,000	7,000,000	7,000,000	-	-	-
Trade and Other Payables	3,417,219	3,417,219	3,417,219	-	-	-
	<u>13,107,275</u>	<u>13,107,275</u>	<u>13,107,275</u>	<u>-</u>	<u>-</u>	<u>-</u>

Contractual maturities of financial liabilities as at 30 June 2025

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	1-2 Year
(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	44,696,519	44,696,519	44,696,519	-	-	-
Mark-up on Borrowings	40,700,466	40,700,466	40,700,466	-	-	-
Trade and Other Payables	1,273,532	1,273,532	1,273,532	-	-	-
	<u>122,852,147</u>	<u>122,852,147</u>	<u>122,852,147</u>	<u>-</u>	<u>-</u>	<u>-</u>



33.2 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:

33.3 Financial instruments by categories

As at 30 June 2026

Assets as per balance sheet

	Fair value through profit & loss account Rupees	Loans and receivables Rupees	Available for sale Rupees	Total Rupees
Long Term Investment - Available for sale	-	-	2,747,697	2,747,697
Long Term Deposits	-	223,560	-	223,560
Loans and Advances	-	6,434,365	-	6,434,365
Other Receivables	-	788,542	-	788,542
Bank Balances	-	1,045,371	-	1,045,371
	-	8,491,838	2,747,697	11,239,535

Financial liabilities at amortized cost

Rupees

Liabilities as per balance sheet

Mark-up on loan from associated concern	7,000,000
Trade and other payables	3,417,219
	10,417,219

As at 30 June 2025

Assets as per balance sheet

	Fair value through profit & loss account Rupees	Loans and receivables Rupees	Available for sale Rupees	Total Rupees
Long Term Investment - Equity Method	-	-	27,928,107	27,928,107
Long Term Investment - Available for sale	-	-	77,379	77,379
Long Term Deposits	-	223,560	-	223,560
Loans and Advances	-	240,363	-	240,363
Other Receivables	-	1,366,691	-	1,366,691
Bank Balances	-	579,087	-	579,087
	-	2,409,701	28,005,486	30,415,187

Financial liabilities at amortized cost

Rupees

Liabilities as per balance sheet

Long Term Loan from associated concern	40,214,841
Payable to Director & Sponsors	33,491,574
Mark-up on loan from associated concern	33,542,563
Trade and other payables	3,420,488
	110,669,466



34 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 2026	Level 1	Level 2	Level 3	Total
				Rupees.....

Financial assets

Investment in Associated Company -Lower of NRV or equity

-

-

Other Investment (FVTOCI)

2,747,697

2,747,697

Total financial assets

2,747,697

-

-

2,747,697

Recurring fair value measurements At 30 June 2025	Level 1	Level 2	Level 3	Total
				Rupees.....

Financial assets

Investment in Associated Company -Lower of NRV or equity

27,928,107

27,928,107

Other Investment (FVTOCI)

77,379

77,379

Total financial assets

28,005,486

-

-

28,005,486

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.



35 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.

	2026 Rupees	2025 Rupees
Total borrowings	-	78,188,093
Cash and bank balances	(2,075,654)	(1,142,693)
	(2,075,654)	77,045,400
Total equity	128,831	(70,545,339)
	(1,946,823)	6,500,061
Gearing ratio	106.62%	1185.30%

36 NUMBER OF EMPLOYEES

Number of employees as at year end	12	8
Average Number of employees during the year	12	8

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

37 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.

38 RECLASSIFICATION OF EXPENSES

38.1 There is no material reclassification during the year

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 02 October 2026 by the board of directors of the company.

40 CORRESPONDING FIGURES

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

41 GENERAL

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

Chief Executive

Chief Financial Officer

Director



Operating Highlights

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
KEY INDICATORS											
OPERATING											
GROSS MARGIN	%							37.70%	20.95%	15.43%	17.19%
OPERATING MARGIN	%							-18.85%	-45.79%	-21.89%	159.06%
PRE TAX MARGIN	%							36.88%	-70.59%	-121.07%	159.06%
NET MARGIN	%							16.63%	-74.04%	-122.92%	144.46%
PERFORMANCE											
RETURN ON ASSETS	%	0.1110	(2.6867)	(0.1301)	(0.1654)	(0.0831)	(0.2100)	0.0541	(0.2721)	(0.5534)	1.7374
RETURN ON EQUITY	%	235.338S	(105.5826)	(17.3870)	(15.7008)	(9.0475)	(15.9502)	(6.6361)	26.8260	41.2612	547.713
RETURN ON CAPITAL EMPLOYED	%	s5.1305	(119.0192)	(2s.48s9)	(18.5110)	(9.3240)	(17.7874)	(34.3266)	8.6043	30.492	403.597
LEVERAGES											
DEBT:EQUITY	Times	1.7299	(1.1602)	(2.0417)	(1.7487)	(1.9453)	(1.6218)	(1.8120)	(1.3195)	(1.1083)	157.
LIQUIDITY											
CURRENT	Times	0.0652	0.0463	0.0439	0.0428	0.0435	0.0509	0.0651	0.0885	0.1418	1.2264
QUICK	Times	0.0652	0.0463	0.0439	0.0428	0.0435	0.0509	0.0577	0.0726	0.0691	0.6224
VALUATION											
EARNING PER SHARE(PRE TAX)	Rs.	0.7S75	(4.8966)	(0.6152)	(0.6051)	(0.3093)	(0.7513)	0.5783	(1.1906)	(2.3892)	6.4829
EARNING PER SHARE(AFTER TAX)	Rs.	0.4987	(4.9693)	(0.5176)	(0.5973)	(0.3463)	(0.8670)	0.7789	(1.2487)	(2.4257)	5.8879
BREAK UP VALUE	Rs.	0.2119	(4.7066)	(2.9769)	(3.8043)	(3.8273)	(4.7101)	(3.9304)	(4.6548)	(5.8788)	0.0107
HISTORICAL TRENDS											
TRADING RESULTS											
TURNOVER	Rs.	-	-	-	-	-		18,816	20,239	23,681	48,909
GROSS PROFIT/(LOSS)	Rs.	-	-	-	-	-		7,093	4,240	3654	8,405
OPERATING PROFIT	Rs.	(2,866)	(3,544)	(2,563)	(2,451)	(2,492)	(4,255)	5,704	214	(304)	5,030
PROFIT/(LOSS) BEFORE TAX	Rs.	9,089	(58,759)	(7,383)	(7,261)	(3,712)	(9,015)	6,939	(14,287)	(28,670)	77,794
PROFIT/(LOSS) AFTER TAX	Rs.	5,984	(59,632)	(6,211)	(7,168)	(4,155)	(10,404)	3,129	(14,984)	(29,108)	70,655
FINANCIAL POSITION											
SHAREHOLDERS FUNDS	Rs.	2,543	(56,479)	(35,722)	(45,652)	(45,928)	(56,521)	(56,002)	(64,297)	(78,714)	(7,783)
PROPERTY, PLANT AND EQUIPMENT	Rs.	15,692	14,766	13,912	13,127	12,405	11,738	14,373	13,650	10,555	10,174
NET CURRENT ASSETS	Rs.	(40,803)	(68,251)	(73,3S2)	(79,022)	(85,878)	(95,114)	(98,147)	(104,665)	(112,023)	(15,710)
LONG TERM ASSETS	Rs.	51,064	18,882	44,384	39,794	46,070	44,431	50,981	48,808	38,784	13,145
LONG TERM LIABILITIES	Rs.	-	-	-	-	-	-	-	-	-	20,293
TOTAL ASSETS	Rs.		22,195	47,751	43,325	49,976	49,536	57,811	55,065	52,603	40,668
TOTAL CURRENT ASSETS	Rs.		3,314	3,368	3,531	3,906	5,105	6,829	6,257	11,125	24,829
TOTAL LIABILITIES	Rs.		71,565	76,720	62,553	89,784	100,219	104,976	110,669	123,148	40,539
TOTAL DEBT	Rs.		57,277	59,147	66,597	77,437	82,197	77,411	73,706	78,188	20,293
TOTAL EQUITY	Rs.		(49,369)	(28,969)	(39,228)	(39,808)	(50,684)	(47,164)	(55,857)	(70,545)	129

**FORM 20****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

30-06-2026

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
302	1	100	21,943
329	101	500	156,832
111	501	1,000	107,648
171	1,001	5,000	515,851
58	5,001	10,000	466,683
20	10,001	15,000	251,508
6	15,001	20,000	119,000
5	20,001	25,000	110,502
3	25,001	30,000	87,000
2	30,001	35,000	63,500
3	35,001	40,000	117,000
2	55,001	60,000	119,500
2	60,001	65,000	125,500
1	90,001	95,000	92,223
1	95,001	100,000	100,000
1	110,001	115,000	113,000
1	125,001	130,000	130,000
1	175,001	180,000	176,000
1	195,001	200,000	200,000
1	210,001	215,000	214,950
1	215,001	220,000	217,317
2	250,001	255,000	505,750
1	415,001	420,000	416,360
2	430,001	435,000	869,266
1	545,001	550,000	547,960
1	725,001	730,000	728,833
1	750,001	755,000	752,300
1	1,015,001	1,020,000	1,019,334
1	3,650,001	3,655,000	3,654,240
1,032			12,000,000



2.3 Categories of Shareholders

	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	1,965,117	16.3760%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	4,336,242	1806.7675%
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	4,988,524	41.5710%
2.3.8 General Public		
a. Local	5,680,966	47.3414%
b. Foreign	0	0.0000%



Shaffi Chemical Industries Limited
CATEGORIES OF SHAREHOLDERS
As on 30th June, 2026



S. No.	NAME	HOLDING	%AGE
<u>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</u>			
1	MR. IFTIKHAR SHAFFI	1,019,334	8.4945
	MR. IFTIKHAR SHAFFI (CDC)	214,950	1.7913
2	MR. MUHAMMAD SAMEER	500	0.0042
3	MR. HASHIM ASLAM BUTT	500	0.0042
4	MR. MOHIB HUSSAIN	500	0.0042
5	MR. IMRAN KABIR	500	0.0042
6	MRS. SEEMA IFTIKHAR	728,833	6.0736
		<u>1,965,117</u>	<u>16.3760</u>
<u>ASSOCIATED COMPANIES</u>			
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	3,654,240	30.4520
5	DIAMOND INDUSTRIES LIMITED (CDC)	100,000	0.8333
6	CAPITAL INDUSTRIAL ENTERPRISES (PVT) LTD (CDC)	21,002	0.1750
		<u>4,336,242</u>	<u>36.1354</u>
<u>NIT and ICP</u>			
1	INVESTMENT CORP. OF PAKISTAN	500	0.0042
<u>JOINT STOCK COMPANIES</u>			
1	FIRST CAPITAL SECURITIES CORPORATION LTD.	1,960	0.0163
2	JAVED OMER VOHRA & CO.	4,500	0.0375
3	DOSSLANI'S SECURITIES (PVT) LTD. (CDC)	500	0.0042
4	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000
5	SHAFFI SECURITIES (PVT) LIMITED (CDC)	2,000	0.0167
6	VALUE STOCK AND COMMODITIES (PRIVATE) LIMITED (CDC)	12	0.0001
7	Y. S. SECURITIES & SERVICES (PVT) LTD. (CDC)	8,202	0.0684
		<u>17,175</u>	<u>0.1431</u>
SHARES HELD BY THE GENERAL PUBLIC (LOCAL)		5,680,966	47.3414
SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)		0	0.0000
		<u>5,680,966</u>	<u>47.3414</u>
<u>TOTAL:</u>		<u>12,000,000</u>	<u>100.0000</u>

**SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL**

S. No.	Name	Holding	Percentage
1	DIAMOND INDUSTRIES LTD.	3,754,240	31.2853
2	MR. IFTIKHAR A. SHAFFI	1,234,284	10.2857
		4,988,524	41.5710

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

S. No.	Name	Holding	Percentage
1	DIAMOND INDUSTRIES LTD.	3,754,240	31.2853
2	MR. IFTIKHAR SHAFFI	1,234,284	10.2857
3	MR. MUBASHAR IFTIKHAR	752,300	6.2692
4	MRS. SEEMA IFTIKHAR	728,833	6.0736
5	MR. MUZAMMIL EJAZ	640,183	5.3349
		7,109,840	59.2487

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

S. No.	NAME	SALE	PURCHASE
---------------	-------------	-------------	-----------------



FORM OF PROXY SHAFFI CHEMICAL INDUSTRIES LIMITED

I/We _____

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

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

_____ of _____
another member of the Company (being a member of the company) as my/our proxy to attend and vote for and on my/our behalf, at the Annual General Meeting of the Company to be held at its registered office, Plot # 2, Gadoon Amazai Industrial Estate Estate, Swabi Khyber Pakhtoonkhwa on Tuesday 27th October, 2026 at 10:00 a.m. and any adjournment thereof.

As witnessed given under my/our hand(s) _____ day of _____ 2026.

1) Witness:



Signature _____

Name _____

Address _____

Signature of Member

2) Witness:

Signature _____ Shares Held _____

Name _____ Shareholder's Folio No. _____

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

کمپنی سالانہ اجلاس عام جو کہ 27 اکتوبر 2026 بروز منگل صبح 10 بجے ہمارے رجسٹرڈ آفس، پلاٹ نمبر، 2 کدوں انارے 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 خودی _____ بروز _____ 2026 _____
(1) گواہ

ممبر کے دستخط

دستخط _____
نام _____
پتہ _____
دستخط _____
نام _____
پتہ _____
سی ڈی سی اے/سی نمبر _____
کمپیوٹرائزڈ شناختی کارڈ نمبر _____

نوٹ:

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

سی ڈی سی اے/سی نمبر ہولڈرز جو کہ اس اجلاس عام سے شرکت اور ووٹ دینے کا حق رکھتے ہیں، اپنی شناخت کی تصدیق کے 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 اے/سی ڈی سی اے ہولڈرز کے لئے درج بالا کے ساتھ ساتھ نیچے دی گئی ضروریات بھی پوری کرنا ضروری ہے

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

(ii) مالکان کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ اجلاس کے وقت فراہم کرے 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/ریزروشن/پاور آف اٹارنی کے ساتھ نمونے کے دستخط جمع کروانے ہوں گے (جب تک یہ پہلے فراہم نہیں کئے گئے)۔