

DIAMOND INDUSTRIES LIMITED

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REF: DIL/CS/006-4

DATED:- 15-05-2018

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road
Karachi.

Subject: **Material Information**

Dear Sir,

In compliance of clause 5.19.13 (c) (Code of Corporate Governance) of the Rule Book of the exchange, we hereby convey the following information to the stock exchange and the shareholders that the Company was in litigation with M/s Allied Bank of Pakistan which now has been settled amicably and settlement agreement of May 10, 2018 has been signed and executed as under.

1. Out of liability amounting to Rs. 352.166 Million incorporated in financial statement for the year ended June 30, 2017 has been settled at Rs. 137,297,971 as principal amount which has now been paid to the bank whereas the cost of funds and others payable has been waived off by the Bank. The balance amount of Rs. 214,868 Million will positively affect Company's equity and will be accounted for in the current accounting year and resultantly will convert equity into positive by 82.319 Million. It may further be noted that Bank has confirmed that there is no further liability payable to the Bank and has withdrawn all sorts of liens, entitlements, possessions, claims and encumbrances on the assets of the Company.
2. In Post settlement phase, the bank has issued Clearance Certificates to Company alongwith No-Objection Certificates in respect of all the mortgage properties and Charge on Assets filed with the office of Securities Exchange Commission of Pakistan. In addition, the authorized representatives of the Company and the Bank have also signed joint applications for the withdrawal of all the pending litigation and undertake to avoid initiate further litigation / complaints/ applications against each other at any sort of regulatory authority/office/forum in respect of closed matters.

After settlement of this longstanding pending litigations with Allied Bank Limited, the management is of the view that the company will be able to resume its core business activities in near future.

You may please inform the members of the Exchange accordingly.

Sincerely yours,
for DIAMOND INDUSTRIES LIMITED


ZAHOOR AHMAD
Company Secretary

Copy to :- The Director / HOD
Surveillance, Supervision and Enforcement Department,
Securities and Exchange Commission of Pakistan,
NIC Building, 63-Jinnah Avenue, Blue Area, Islamabad