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CORPORATE PROFILE

BOARD OF DIRECTORS

1.	Mr. Iftikhar Shaffi	Chief Executive	*(Executive)*	
2.	Mr. Qaiser Saleem Khan	Director	*(Independent)*	
3.	Mr. Imran Kabir	Director	*(Independent)*	
4.	Mr. Abdul Shakoor	Director	*(Non-Executive)*	*(Chairman of Board)*
5.	Mr. Muhammad Sameer	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 OFFICER

· 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

SARWARS Chartered Accountants
Office # 12-14, 2nd Floor, Lahore Centre, 77-D, Main Boulevard, Gulberg-III, Lahore`

BANKERS

· Allied Bank Limited
· Askari Commercial Bank Limited
· Bank Alfalah Limited
· Habib Metropolitan Bank Limited
· Silk Bank Limited
· Standard Chartered Bank Pakistan Limiated

REGISTERED OFFICE

· Plot No. 25, Gadoon Amazai, Industrial Estate, Swabi, Khyber Pakhtoonkhwa
Tel: 0938-270597, 270297

FACTORY

· Plot No. 25, Gadoon Amazai, Industrial Estate, Swabi, Khyber Pakhtoonkhwa
Tel: 0938-270597, 270297

PRINCIPLE OFFICE

· 23-Km, Multan Road, Mohlanwal, Lahore
Tel: 042-37540336-7
Fax: 042-37540335, 35300010
E.mail: info@diamondfoam.com

SHARE REGISTRAR

· M/s Corplink (Pvt) Limited
Wings Arcade, 1-K Commercial, Model Town, Lahore
Tel: 042-35839182, 35887262
Fax: 042-35869037

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of Shareholders of Diamond Industries Limited will be held on Saturday 24th October, 2020 at 11:00 A.M. at Company's Registered Office at Plot No. 25, Gadoon Amazai, Industrial Estate, Swabi, Khyber-Pakhtoonkhwa to transact the following business:

1. To confirm the minutes of Extraordinary General Meeting held on 31st March, 2020.

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

3. To appoint External Auditors for next financial year ending June 30, 2021 and to fix their remuneration. The retiring auditors, being eligible have offered themselves for their reappointment. Audit Committee of the Board has also recommended for re-appointment of M/s SARWARS Chartered Accountants, office# 12-14, 2nd Floor, Lahore Centre, 77-D, Main Boulevard, Gulberg-III, Lahore, as Auditors of the company for next financial year ending June 30, 2021.

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

BY ORDER OF THE BOARD

ZAHOOR AHMAD
Company Secretary

Lahore: 01-10-2020

Notes:

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

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

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

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

5. To ensure compliance with the SECP Notification SRO 831(1)2012 dated July 05, 2012 read with Notification SRO 19(1)2014 dated January 10, 2014, all members who have not yet submitted their valid CNIC/NTN, are hereby once again requested to submit the same without further delay.

6. Members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

Chairman's Review Report

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

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

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

Mr. Abdul Shakoor
(Chairman of Board)

DIRECTORS' REPORT

Dear Shareholders,

The Directors of **Diamond Industries Limited** feel pleasure to present before you the Directors' Report together with Audited Financial Statements of the company and Auditors' Report for the financial year ended June 30, 2020.

Financial Highlights

	2020	2019
	(Rs. in millions)	
- Sales (Net)	9.229	0.000
- Gross Profit/(Loss)	0.814	0.000
- Operating Expenses	(22.019)	(30.946)
- Other Operating Income	31.836	18.000
- Profit /(Loss) from Operations	10.631	(12.945)
- Financial Cost	(0.002)	(0.004)
- Share of Profit/(Loss) of Associated Cos.	(0.334)	0.180
- Profit / (Loss) before taxation	10.294	(12.769)
- Taxation	(2.063)	(15.504)
- Profit/(Loss) after taxation	8.230	(28.326)

YEAR IN REVIEW:

As the company has rented out its manufacturing facility alongwith allied machinery to its associated concern M/s Diamond Tyres Limited, there is no business activity whereas all the available stock in trade has been sold during the year. However company has incurred certain operating expenses resulting in operating profit of Rs. 10.631 million as compared to loss of Rs. (12.945) million of the preceding year and profit / (Loss) after taxation is Rs. 8.230 million as against loss of Rs. (28.326) million of the corresponding year. During the year company has earned dividend income of Rs. 13.836 million and rental income of Rs. 18 million resulted the conversion of EPS in positive. As regard to remover of qualifications of auditors, the company has restated its financial statements of previous years 2018 & 2019 as follows.

a) The company has revaluated and re-classified its fixed assets to investment property under IAS 40 of the International Financial Reporting Standards.

b) The company has paid unclaimed dividend to its shareholders in compliance of section 244 of the Companies Act, 2017.

c) The company has restated its financial liability which has wrongly been stated in other comprehensive income.

d) The company has made provision of Rs. 1.969 million against other receivable, whereas as per opinion of the legal advisor, no provision is required in context the note 20 of the financial statements.

The company has settled all its liabilities towards Allied Bank Limited and the management intends to resume its business activities but due to sharp devaluation of local currency against US dollar, Covid-19 virus impact, unprecedented price hike in rates of raw materials and increased working capital requirements, for now, it is not feasible to restart its core business activities.

VISION AND MISSION:

The statement reflecting the Vision and Mission of the company is annexed to the report.

EARNINGS PER SHARE:

Earnings per share for the year under review are Rs. 0.91 as compared to Rs. (3.15) for the immediate preceding year.

PATTERN OF SHAREHOLDING:
Pattern of shareholding is annexed to this report.

BOARD MEETINGS:
During the year under review nine BOD meetings of the company were held and the attendance by each director in the meetings is as under:

S.No.	NAME	POSITION	ATTENDANCE
1.	Mr Iftikhar Shaffi	Chief Executive	09
2.	Mr Muhammad Sameer	Director	08
3.	Mr Abdul Shakoor	Director	07
4.	Mr Hashim Aslam Butt	Director	08
5.	Mr. Mohib Hussain	Director	08
6.	Mr. Qaiser Saleem Khan	Director	07
7.	Mr. Imran Kabir	Director	08

Board Audit Committee:
The Board Audit Committee of the Company is in place comprising of one independent director and two non-executive directors including the Chairman of the Board Audit Committee. Names of the members of audit committee are appended at corporate profile of this annual report. Five meetings of the committee were held during the year under review as required by the CCG for review of quarterly, half yearly & annual financial statements and other related matters. The meetings were also attended by the CFO, Head of Internal Audit and External Auditors as and when required.

Human Resources & Remuneration Committee:
Human Resources & Remuneration Committee is also in place and comprises of one independent director and two non-executive directors including the Chairman of the Committee. Names of the members of this Committee are appended at corporate profile of this annual report. The Committee looks into the requirements of manpower engaged by the company along with their remuneration and regularize the safety measures and environmental stewardship. Committee also 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 ensures all elements of compensation and welfare of the employees and holds its meetings as and when required.

TRANSFER PRICING:
The company has fully complied with the best practices on transfer pricing as contained in the listing regulations of stock exchanges.

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

FUTURE OUTLOOK:
The Management of the company is continuously monitoring the macroeconomic environment of the country and will resume its core activities upon availability of financing facilities and stability of economic situation. The

directors shall try to exploit every opportunity available in market to maximize the shareholders wealth and earn profit without taking unnecessary risk.

AUDITORS:

M/s SARWARS Chartered Accountants are retiring at the conclusion of forthcoming AGM of the company and eligible to offer themselves for their re-appointment. The Audit Committee has also recommended for the appointment of M/s SARWARS, Chartered Accountants as the statutory auditors of the Company for the financial year ending June 30, 2021. The Board of Directors has endorsed this recommendation.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The directors of the company are pleased to confirm that the Company has made compliance of provisions of the Code of Corporate Governance set out in the Regulation No. 5.19 of Listing Regulations of Pakistan Stock Exchange Limited issued by the Securities and Exchange Commission of Pakistan and there is no material departure from the best practices as detailed in the listing regulations. Our statements on corporate and financial reporting are as follows:

- The Financial statements, prepared by the management of the Company present a fair state of affairs of the Company, results of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained as required under the Companies Act, 2017;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment, except change in policy of recognition of property, plant and equipment into investment property.
- International Accounting / Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and there is no departure there from;
- The system of internal control is sound and has been effectively implemented and monitored;
- There are significant doubts about the company's ability to continue as a going concern;
- Financial highlights for the last 6 years are annexed.

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

IFTIKHAR SHAFFI
Chief Executive

IMRAN KABIR
Director

Lahore:- 30th September, 2020

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز: ڈائمنڈ انڈسٹریز لمیٹڈ کے ڈائریکٹر 30 جون 2020ء کو ختم ہونے والے سال کیلئے آپ کو ڈائریکٹرز رپورٹ بمع آڈیٹرز رپورٹ اور آڈٹ شدہ مالیاتی بیانات پیش کرنے پر خوش محسوس کرتے ہیں۔

مالیاتی جھلکیاں:	2019	2020
	(روپے ملین میں)	(روپے ملین میں)
سیلز	0.000	9.229
مجموعی منافع	0.000	0.814
انتظامی اخراجات	(30.946)	(22.019)
آپریٹنگ آمدن / نفع	18.000	31.836
انتظامی نقصان / نفع	(12.945)	10.631
مالیاتی خرچہ	(0.004)	(0.002)
اشتراکی منافع / (نقصان) ایسوسی ایٹیڈ کمپنی سے	0.180	(0.334)
منافع / (نقصان) قبل از ٹیکس	(12.769)	10.294
ٹیکس	(15.504)	(2.063)
منافع / (نقصان) بعد از ٹیکس	(28.273)	8.230

جائزہ سال میں: جیسا کہ کمپنی نے اپنی مینوفیکچرنگ سہولیات بمع مشینری اپنی ایسوسی ایٹیڈ کمپنی (ڈائمنڈ ٹائرز لمیٹڈ) کو کرائے پر دی ہیں۔ سال کے دوران کوئی کاروباری سرگرمی نہیں رہی جبکہ تجارتی مال فروخت کر دیا ہے۔ کمپنی نے کچھ انتظامی اخراجات ادا کئے ہیں۔ جسکے نتیجے میں انتظامی نفع، پچھلے سال (12.945) نقصان ملین روپے کے مقابلے میں 10.631 ملین روپے رہا۔ اور نفع / (نقصان) بعد از ٹیکس پچھلے سال (28.326) ملین روپے کے مقابلے میں 8.230 ملین روپے رہا۔ سال کے دوران کمپنی نے 18 ملین روپے ڈیویڈنڈ آمدن کمائی ہے جس کی وجہ سے EPS مثبت ہوئی ہے آڈیٹرز کی کوالیفکیشنز کی ریموول کے حساب سے کمپنی نے 2018 اور 2019 کی ملیاتی گوشواروں کو بازیافت کیا ہے

اے۔ کمپنی نے اپنے فکسڈ اثاثوں کو IAS 40 کے تحت ری ویلو اور ری کالسیفائیڈ کیا ہے

بی۔کمپنی نےکمپنیزا یکٹ 2017 کےسکشن 244اے تحت اپنےشیئر ہولڈرزکوان کلیمڈ ڈیویڈنڈادا کر دیا ہے۔

سی۔کمپنی نے اپنی ملیاتی زمہ داریوں کوری اسٹیٹ کیا ہے جو کے غلطی سے COMREHENSIVE INCOME میں دیکھائی گئی تھے۔

ڈی۔کمپنی نے OTHER RECEIVABLR کے برعکس 1.969 ملین روپے کی پرووئین بنائی ہے جبکہ قانونی ایڈوئیزر کے مطابق مالیاتی گوشواروں کے نوٹ نمبر 20 میں کسی پرووئین کی ضرورت نہیں ہے۔

جیسا کہ کمپنی نے ABL کے ساتھ اپنے تمام واجبات ادا کر لئے ہیں۔مینجمنٹ اپنی کاروباری سرگرمیوں کو دوبارہ شروع کرنا چاہتی تھی مگر کا ئبر میں اضافہ جو کہ یوایس ڈالر کے مقابلے میں پاک روپے کی قدر میں تیزی سے کمی،خام مال کے نرخ میں تیزی سے اضافہ اور بڑھتی ہوئی ورکنگ کیپٹل کی ضروریات کے پیشِ نظر اسکی کاروباری سرگرمیوں کو دوبارہ شروع کرنا ممکن نہیں ہے۔لہٰذا مینجمنٹ کا خیال ہے کہ کمپنی مستقبل میں چلنے والی نہیں ہے۔

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

فی حِصص شیئر: فی حصص آمدنی / (نقصان) 30 جون 2020ء میں پچھلے سال (3.15) روپے فی حِصص کے مقابلے میں 0.91روپے فی حِصص رہا۔

پیٹرن آف شیئر ہولڈنگ: پیٹرن آف شیئر ہولڈنگ رپورٹ کے ساتھ منسلک ہے۔

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

سیریل نمبر	نام	عہدہ	حاضری کی تعداد
۱)۔	مسٹر افتخار شفیع	چیف ایگزیکٹو	09
۲)۔	مسٹر محمد سمیر	ڈائریکٹر	08
۳)۔	مسٹر عبدالشکور	ڈائریکٹر	07
۴)۔	مسٹر ہاشم اسلم بٹ	ڈائریکٹر	08
۵)۔	مسٹر محبّ حسین	ڈائریکٹر	08
۶)۔	مسٹر قیصر سلیم خان	ڈائریکٹر	07
۷)۔	مسٹر عمران کبیر	ڈائریکٹر	08

بورڈ آف کمیٹی: کمپنی کی بورڈ آڈٹ کمیٹی میں ایک غیر جانبدار ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز، جن میں ایک چیئرمین بورڈ آڈٹ کمیٹی ہے، موجودہ ہیں۔ بورڈ آڈٹ کمیٹی کے ممبرز کے نام اس انیول رپورٹ کی کارپوریٹ پروفائل میں درج ہیں۔ اس سال کمیٹی کی پانچ میٹنگز منعقد کی گئی ہیں۔ CCG کی ضرورت کے مطابق، کمیٹی نے کواٹری، ہاف ایئرلی اور سالانہ مالی بیانات اور دیگر اُمور کا جائزہ لیا ہے۔ میٹنگز میں CFO، انٹرآڈٹ کیئر ہیڈ اور ایکسٹرنل آڈیٹر نے بھی ضرورت کے مطابق شمولیت اختیار کی۔

افرادوسائل اور معاوضہ کمیٹی : افرادی وسائل اور معاوضہ کی کمیٹی موجود ہے اور یہ ایک غیر جانبدار ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز جن میں سے ایک کمیٹی کا چیئرمین ہے پر مشتمل ہے۔ کمیٹی کے ممبرز کے نام اس رپورٹ کی کاربوریٹ پروفائل میں درج ہیں۔ کمیٹی افرادی قوت اور ان کے معاوضے کا جائزہ لیتی ہے اور حفاظتی انتظامات اور ماحولیات قیادت کو مستقل کرتی ہے۔ کمیٹی بورڈ کی سفارش کرتی ہے کہ وہ انتظامی پالیسیوں، معاوضے کے معاملات (ریٹائرمنٹ کی سہولیات) سی او او، سی ایف او، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ اور وہ تمام انتظامی معاملات جو ڈائریکٹلی سی ای او کو رپورٹ کرتے ہیں کا جائزہ کرے، غور کرے اور منظور کرے۔

منتقلی کی قیمتوں کا تعین : کمپنی مکمل طور پر سٹاک ایکسچینز کی فہرست سازی کے ضابطے میں موجود ٹرانسفر پرائسنگ کے بہترین طریقوں پر عمل پیرا ہے۔

ضابطہ اخلاق : ہمارا ضابطہ، ایمانداری، سالمیت، صداقت وعزت کے اُصولوں کی بنیاد پر مشترکہ اقدار کے ایک سیٹ پر بنایا گیا ہے۔

مستقبل کے نقطہ نظر : کمپنی ملک کے بڑے لیول پر معاشی ماحول کو مانیٹر کر رہی ہے۔ مالی سہولتوں کی فراہمی اور معاشی حالت کی بہتری پر اپنی کور سرگرمیوں کو دوبارہ شروع کرے گی۔ مختلف مالی اداروں سے فریش مالی سہولیات حاصل کرنے کی کوشش کر رہی ہے۔ ڈائریکٹرز ہر موقع کو استعمال کر کے شیئر ہولڈرز کی دولت کو زیادہ سے زیادہ کریں گے اور بغیر کسی رسک کے منافع کمائیں گے۔

آڈیٹرز: سرورز چارٹرز اکاؤنٹنٹس کمپنی کے آنے والے سالانہ اجلاس کے اختتام پر ریٹائرڈ ہو رہے ہیں۔ اور دوبارہ تقرری کیلئے خود کو پیش کرنے کے اہل ہیں۔ آڈٹ کمپنی نے سرورز چارٹرڈ اکاؤنٹس کو 30 جون 2021ء کو ختم ہونیوالے مالی سال کیلئے کمپنی کے قانونی آڈیٹرز کی تقرری کو پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے اس سفارش کی تائید کی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک : کمپنی کے ڈائریکٹرز خوش ہیں کہ کمپنی نے سیکورٹیز اور ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ سٹاک ایکسچینج کی لسٹنگ ریگولیشنز نمبر 5.19 میں درج لسٹنگ ریگولیشنز کی تعمیل کی ہے۔ لسٹنگ قواعد وضوابط میں دی گئی بہترین پریکٹیسیز سے کوئی بڑا انحراف نہیں ہے۔ کارپوریٹ اور مالیاتی رپورٹنگ پر ہمارے بیانات درج ذیل ہیں۔

(۱)۔ کمپنی کی مینجمنٹ کی طرف سے تیار کردہ مالی بیانات، کمپنی کے اُمور، اسکے آپریشنز، کیش فلوز، اور چینجز اِن ایکویٹی کی ایک منصفانہ شکل ہے۔اور کمپنی کی اکاؤنٹس کی کتابوں کو کمپنیز ایکٹ 2017ء کی ضرورت کے مطابق رکھا گیا ہے۔

(۲)۔ مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا اور اکاؤنٹنگ ایسٹیمیٹس مناسب اور عقلمندانہ فیصلوں پر منحصر ہیں۔

(۳)۔ انٹرنیشنل اکاؤنٹنگ اور مالیاتی رپورٹنگ معیارات جو کہ پاکستان میں قابل عمل ہیں، مالیاتی بیانات کی تیاری میں پیروی کئے گئے ہیں اور کوئی انحراف نہیں ہے۔

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

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

(٦)۔ گذشتہ چھ سال کی مالیاتی جھلکیاں منسلک ہیں۔

اعتراف : ڈائریکٹرز مجھے ملے اور اُنہوں نے تمام عملے کے ارکان اور انتظامی ٹیم کا ان کی کوششوں اور تعاون کا شکریہ ادا کیا۔

بتاریخ: 30 ستمبر 2020ء

لاہور

عمران کبیر
ڈائریکٹر

افتخار شفیع
چیف ایگزیکٹو

VISION / MISSION STATEMENT AND CORPORATE STRATEGY

Vision

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

Mission

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

Corporate strategy

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

Note: The Company is in process of restructuring hence mission, vision and corporate strategy will be followed and implemented in letter and split when restructuring process is completed and 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:- DIAMOND INDUSTRIES LIMITED
Year Ended:- 30-06-2020

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

1. The total number of directors are seven as per following:
- a) Male 7
- b) Female 0

2. The composition of Board is as follows:

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

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

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

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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

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

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

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

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

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

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

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

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

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

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

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

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP

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

18. We confirm that all other requirements of the Regulations have been complied with.

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

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

Sr. No	Requirement	Explanation	Regulation No.
1	Constitution of Risk Management Committee	The function of Risk Management Committee is currently performed by Chief Internal Auditor, who apprises the Board accordingly. However the constitution of this committee shall be completed before the close of current fiscal year.	30
2	Disclosure of Significant Policies on Website	The Company intends to disclose its significant policies on website before the close of current fiscal year.	35
3	Female Director	Company is in defaulter segment, due to suspension of share transfer, The appointment of female director in not possible. As currently there is no female shareholder who is qualified to be a director.	7

IFTIKHAR SHAFFI
Chief Executive

IMRAN KABIR
Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Diamond 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) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Diamond Industries Limited** for the year ended June 30, 2020, in accordance with the requirements of regulation 36 of the 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, except for non-compliance to Regulation no. 7, 6 and 27, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020

.Sr No.	Reference of Regulation	Description
I	7	There is no Female Director in Company.
II	6	There is no Independent Director in Company.
III	27	There is no Independent Director in HR and Audit Committee.

SARWARS

CHARTERED ACCOUNTANTS

ENGAGEMENT PARTNER: ASIM NAZIR SHEIKH (FCA)

Place: Lahore

Date: September 30, 2020

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DIAMAOND INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of DIAMOND INDUSTRIES LIMITED (the Company), which comprises the statement of financial position as at June 30, 2020 and the statement of profit or loss and 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 purpose 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 and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Material Uncertainty Relating to Going Concern

We draw attention to note 2 to the financial statements, which states that the company is no longer a going concern and it has leased out its manufacturing facility along with allied machinery to its associated undertaking M/s Diamond Tyres Limited and the company at present is dependent upon the financial assistance of the associated undertakings, therefore, these financial statements have been prepared on net releasable basis rather than on historical cost convention.

Furthermore, cash flows of the company are not good enough to liquidate/discharge its liabilities in the normal course of business, however the company seeks full support from its sponsors and associated undertakings to cater to any adversity.

We conducted our audit in accordance with the 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.

Key Audit Matters

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 year. 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 *Basis for Opinion* section we have determined the matters described below to be the key audit matters to be communicated.
Following are the Key Audit Matters:

S. No. Key Audit Matters	How the matter was addressed in our audit
(I) Re-statement of error as per IAS-8 Refer to note no. 2.2.1, the company has rectified error relating to non- recognition of deferred tax on investment available for sale and investment in associated undertakings in previous years. This matter is significant regarding its impact and complexity involved in its calculation, we consider it as a key audit matter.	Our audit procedures included the following: Re-calculated deferred tax as per IAS-12. Assessed the adequacy and appropriateness of its presentation, classification and disclosure in the financial statements as per the applicable requirements.
All these matters are relevant to previous year and are significant regarding its impact in the current period financial statements also in addition to auditor's qualifications on these matters. These matters has been resolved by the management to the extent and manner required by the relevant provisions and standards/interpretations and appropriately addressed in the KAM section of this audit report as per below, **Provision relating to receivable from Tanveer Malik** Refer to note no. 8, the company claims that an amount of Rs. 1.96 million is receivable from the said person , the matter is subject to learned appellate authority since long. **Rectification of error relating to classification of financial liability** The management has also rectified the inadvertent error as per IAS 08 relating to classification of financial liability through OCI in year ended June 30, 2018, previously the management had not transacted through	**Our audit procedures included the following:** Checked the appropriateness of the provision for doubtful recovery Obtained Confirmation from the legal advisor Checked the BOD minutes regarding its approval Obtained management representation Checked the adequacy and appropriateness of its presentation, classification and disclosure in the financial statements as per the applicable requirements

statement of profit or loss.	Verified the amount of transaction
Unclaimed Dividend	Checked compliance with provisions of Companies Act, 2017 Checked board approval and obtained management representation Obtained list of shareholders and appropriateness of cheques issued in their respective names
Classification of Investment **properties/change in accounting policies and appropriateness of valuation exercise carried out by independent valuer this year**	Checked the date of transfer Reviewed Board minutes Obtained management representation Obtained, checked , evaluated and corroborated valuers' report with other audit evidence Checked valuer's active status on SECP site Checked independence, objectivity as per ISA 620 Checked the adequacy and appropriateness of its presentation, classification and disclosure in the financial statements as per the IAS 40 and IAS 16 Carried out impairment review at the year-end due to outbreak of Pandemic Covid-19 Also refer Note No. 2.2.2

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 those 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 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 IASs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identity and assess the risk 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.

- 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.

- 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. When such use is inappropriate and management uses an alternative basis of accounting, we conclude whether the alternative bases used by management are acceptable in the circumstances. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use, refer to note no. 2 annexed. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- 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 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.

Form 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:

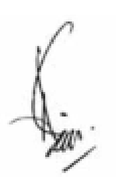
(a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX) of 2017);

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

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

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

The engagement partner on audit resulting in this independent auditor's report is
Mr. Asim Nazir Sheikh (FCA).



SARWARS
CHARTERED ACCOUNTANTS

Place: Lahore
Date: September 30, 2020

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

ASSETS	Note	2020 Book value	2020 Estimated Realisable/ settlement value	2019 Book value	2019 Estimated Realisable/ settlement value	2018 Estimated Realisable/Book value
Cash and bank balances	**5**	2,531,672	2,531,672	701,212	701,212	4,006,998
Trade Debts	**6**	1,511,352	1,511,352	4,226,629	4,226,629	17,774,569
Loan and Advances	**7**	66,526,788	66,526,788	59,112,488	59,112,488	56,115,285
Other Receivables	**8**	-	-	1,969,309	1,969,309	1,969,309
Stock in trade	**9**	-	-	8,415,706	8,415,706	8,415,705
Long Term Deposits	**10**	330,885	330,885	330,885	330,885	330,885
Investments Under equity Method	**11**	65,788,427	65,788,427	66,122,810	66,122,810	65,942,665
Investments available for sale	**12**	65,509,028	65,509,028	71,313,512	71,313,512	82,648,866
Investment Properties	**13**	199,294,832	199,294,832	173,838,698	173,838,698	186,822,186
TOTAL ASSETS		**401,492,985**	**401,492,985**	**386,031,249**	**386,031,249**	**424,026,468**
LIABILITIES						
Trade and other payables	**14.1**	12,377,515	12,377,515	26,487,787	26,487,787	37,707,191
Unclaimed Dividend	**14.2**	-	-	432,544	432,544	432,544
Due to related parties and others	**14.3**	137,297,971	137,297,971	137,297,971	137,297,971	138,978,187
Deferred liabilities	**15**	56,898,808	56,898,808	58,679,079	58,679,079	46,409,848
Provision for taxation	**16**	2,160,939	2,160,939	-	-	990,701
TOTAL LIABILITIES		**208,735,233**	**208,735,233**	**222,897,381**	**222,897,381**	**224,518,471**
NET ASSETS		**192,757,751**	**192,757,751**	**163,133,868**	**163,133,868**	**199,507,997**
REPRESENTED BY:-						
Authorized share capital						
12,000,000 Ordinary shares of Rs. 10/- each		**120,000,000**	**120,000,000**	**120,000,000**	**120,000,000**	**120,000,000**
Issued, subscribed and Paid Up Capital	**17**	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Surplus on revaluation of fixed assets	**18**	164,436,215	164,436,215	138,921,659	138,921,659	146,268,076
Reserves	**19**	(61,678,463)	(61,678,463)	(65,787,791)	(65,787,791)	(36,760,079)
Share Holders' Equity		**192,757,751**	**192,757,751**	**163,133,868**	**163,133,868**	**199,507,997**
Contingencies & Commitments	**20**	-	-	-	-	-
		192,757,751	**192,757,751**	**163,133,868**	**163,133,868**	**199,507,997**

The annexed notes form an integral part of these financial statements.

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

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
Sales - net (Raw Material)	21	9,229,744	-
Cost of raw material sold	22	(8,415,705)	-
Gross profit		814,039	-
Depreciation for the year		-	(12,983,488)
Administrative expenses	23	(22,019,300)	(17,962,960)
		(22,019,300)	(30,946,448)
		(21,205,261)	(30,946,448)
Other Operating income	24	31,836,682	18,000,929
Profit from Operations		10,631,421	(12,945,519)
Finance Cost	25	(2,559)	(4,199)
Share of profit/(loss) of associated companies		(334,382)	180,145
Profit before Taxation		10,294,480	(12,769,573)
TAXATION	26		
- Current		(2,160,939)	-
- Deferred Tax		96,971	(15,556,484)
		(2,063,968)	(15,556,484)
Profit / (Loss) after Taxation		8,230,511	(28,326,056)
Earning/ (Loss) per Share	27	0.91	(3.15)

The annexed notes form an integral part of these financial statements.

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

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

	June 30, 2020 Rupees	Restated June 30, 2019 Rupees
Profit / (Loss) for the year	8,230,511	(28,326,056)
Other Comprehensive Income		
Items that cannot be reclassified to profit and loss account		
Revaluation During the year before classification to Investment properties	25,514,585	-
Related deferred tax		
Items that may be reclassified to profit and loss account		
Unrealized gain / (loss) arising on remeasurement of available for sale investments	(5,804,483)	(11,335,354)
Related Deferred tax	1,683,300	3,287,253
	21,393,401	(8,048,101)
Total Comprehensive Income for the year	29,623,913	(36,374,158)

The annexed notes form an integral part of these financial statements.

Chief Executive   Chief Financial Officer   Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020 (Restated)

	June 30, 2020 Rupees	June 30, 2019 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	10,294,480	(12,769,573)
Adjustment for Non Cash and other items:		
Depreciation on property, plant and equipment	-	12,983,488
Share of loss of associated company	334,382	(180,145)
Provision for other recievable	1,969,309	-
Finance cost	2,559	4,199
Fair value loss on investment properties	58,451	
Interest Income	-	(929)
Dividend Income	(13,836,682)	-
Cash Flow Before Working Capital Changes	(1,177,501)	37,040
Working Capital Changes		
(Increase)/Decrease in Current Assets		
Stock in Trade	8,415,706	-
Trade Debts	2,715,277	13,547,940
Loans and Advances	(3,331,434)	(3,254,502)
	7,799,549	10,293,438
Increase/(Decrease) in Current Liabilities		
Trade and Other Payables	(14,542,816)	(11,219,404)
Cash Inflow / (Outflow) From Operations	(7,920,768)	(888,926)
Income tax paid	(4,082,895)	(733,395)
Finance cost paid	(2,559)	(4,199)
Net Cash Inflow / (Outflow) From Operating Activities	(12,006,222)	(1,626,520)
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	13,836,682	-
Interest income	-	929
Net Cash Generated from /(used in) Investing Activities	13,836,682	929
CASH FLOW FROM FINANCING ACTIVITIES		
Due to Related Parties and others	-	(1,680,216)
Net Cash Flow from Financing Activities	-	(1,680,216)
Net (Decrease) in Cash & Cash Equivalents	1,830,460	(3,305,807)
Cash & Cash Equivalents at Beginning of the Year	701,212	4,007,018
Cash & Cash Equivalents at End of the year	2,531,672	701,212

Chief Executive | Chief Financial Officer | Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020 (Restated)

	Share Capital	Revaluation Surplus	RESERVES CAPITAL Fair value reserve	RESERVES REVENUE Accumulated Profits /Losses	TOTAL EQUITY
	(Rupees)				
Balance as at 30 June 2018	90,000,000	146,268,076	30,548,820	(47,033,269)	219,783,627
Effect of restatement - Relating to deferred tax				**(20,275,630)**	**(20,275,630)**
Balance as at 1 July 2018- Restated	**90,000,000**	**146,268,076**	**30,548,820**	**(67,308,899)**	**199,507,997**
Incremental depreciation on surplus on revaluation of property, plant & equipment		(7,346,446)		7,346,446	-
Profit / (Loss) for the year				(28,326,056)	(28,326,056)
Other comprehensive income for the year			(8,048,101)		(8,048,101)
Balance as at 30 June 2019	90,000,000	138,921,630	22,500,718	(88,288,509)	163,133,839
Balance as at 01 July 2019	90,000,000	138,921,630	22,500,718	(88,288,509)	163,133,839
Profit / (Loss) for the year				8,230,511	8,230,511
Other comprehensive income for the year		25,514,585		(4,121,183)	21,393,401
Balance as at 30 June 2020	90,000,000	164,436,215	22,500,718	(84,179,181)	192,757,752

Chief Executive | Chief Financial Officer | Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1-STATUS AND NATURE OF BUSINESS

The company was incorporated under the Companies Ordinance, 1984 as a private limited company on June 18, 1989 in the name of Diamond Industries (Pvt.) Limited and converted into public limited Company on August 03, 1994 as Diamond Industries Limited. The shares of the Company are quoted on Karachi, Islamabad and Lahore Stock Exchanges. The principal activity is to manufacture and sale foam products and PVA products consumed in industry and domestically. The registered office of the company is situated at Industrial Estate Gadoon, Amazai, K.P.K Pakistan. The company has fixed assets located in Lahore, Rawalpindi and Gadoon. The company at present has leased out its operations / manufacturing unit and earns rental income on leased property and income from dividends as its primary source of income.

2-MATERIAL UNCERTAINITY RELATING TO GOING CONCERN

a) The company has leased out its manufacturing facility along with allied machinery to its associated undertaking M/s Diamond Tyres Limited. The lease period has been extended further with mutual consent. The company at present is dependent upon the financial assistance of the associated undertakings. The management is of the view that the company is no longer a going concern, therefore, these financial statements have been prepared on the basis of estimated realizable / settlement value of liabilities and assets, other than fixed assets. The management has estimated the realizable / settlement values equivalent to historical cost.

b) The Company in the year under audit declared a net profit after tax of Rs. 8.23 million after charging deferred tax income of Rs.0.096 million for the year ended June 30, 2020, the deferred tax income when excluded (see note no. 26) the company will report a net profit of Rs.8.22 million. Further the cash flows of the company are not good enough to liquidate/discharge its liabilities in the present situation.

c) The management has prepared these financial statements on the basis of non-going concern assumptions and has considered the historical values at the year end as fair values other than those specifically declared.

2.1-RECOGNIZED FAIR VALUE MEASUREMENTS

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The company has complied with the requirement with the standerd to the extent and manner applicable see note 2.2.2

2.2- 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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2.1-RESTATEMENT OF ERROR

The company committed inadvertent error in previous years relating to not accounting for deferred tax as per IAS-12 on investment under equity method and Investment available for sale, Due to impracticability the financial statements relating to year ended June 30, 2018 and June 30, 2019 have been restated. The existing and revised impact on the financial statements is given below.

2018

	Amount Previously Reported	Difference	Restated Amount
Effect on Statement of financial position			
Investments Under equity Method	-	4,466,077	4,466,077
Investments available for sale	-	15,809,543	15,809,543
Effect on statement of changes in equity			
Accumulated profits/(Losses)	(47,033,269)	(20,275,620)	(67,308,889)

2019

	Amount Previously Reported	Difference	Restated Amount
Effect on Statement of financial position			
Investments Under equity Method	-	4,518,319	4,518,319
Investments available for sale	-	12,522,290	12,522,290
Total Effect		**17,040,609**	
Effect on Statement of profit or loss			
Deferred tax	-	(52,242)	(52,242)
Effect on Other Comprehensive income			
Loss on Investments available for sale	(11,335,354)	3,287,253	(8,048,101)
Previously Reported in opening Retained earnings		(20,275,620)	
Total Effect		**(17,040,609)**	

The management has also rectified the inadvertent error as per IAS 08 relating to classification of financial liability of amounting Rs. 174 million through OCI in year ended June 30, 2018 , that had to be transacted through statement of profit or loss. There is no effect on the financial statements as the matter is related to opening retained earnings only. The existing and revised effects on financial statements are given below.

2018			
	Amount Previously Reported	**Difference**	**Restated Amount**
Effect on Statement of Other comprehensive income			
Long term liabilities	174,793,607	(174,793,607)	-
Effect on Statement of Profit or (Loss)			
Long term liabilities	-	174,793,607	174,793,607

Effect on Statement of changes in equity

There is no effect on retained earnings.

2.2.2- Change in Accounting Policy

During the Year Company has reclassified its Property, Plant and Equipment to Investment Property and this Results in Change of Accounting Policy from IAS 16 (Property, Plant and Equipment) to IAS 40 (Investment Property) At Fair Value Model with Prospective Effect.

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both. The accounting for dividend and other income is governed by IFRS-15.

Fair value model of Investment Property

Investment property is remeasured at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. [IAS 40.5] Gains or losses arising from changes in the fair value of investment property must be included in net profit or loss for the period in which it arises.

Fair value should reflect the actual market state and circumstances as of the balance sheet date. [IAS 40.38] The best evidence of fair value is normally given by current prices on an active market for similar property in the same location and condition and subject to similar lease and other contracts. In the absence of such information, the entity may consider current prices for properties of a different nature or subject to different conditions, recent prices on less active markets with adjustments to reflect changes in economic conditions, and discounted cash flow projections based on reliable estimates of future cash flows.

There is a rebuttable presumption that the entity will be able to determine the fair value of an investment property reliably on a continuing basis. However:

If an entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed. If an entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity shall measure that investment property using the cost model in IAS 16. The residual value of the investment property shall be assumed to be zero. The entity shall apply IAS 16 until disposal of the investment property.

Where a property has previously been measured at fair value, it should continue to be measured at fair value until disposal, even if comparable market transactions become less frequent or market prices become less readily available.

Transfers to Investment Property Classification

Transfers to investment property should only be made when there is a change in use, evidenced by one or more of the following:

- End of owner-occupation (transfer from owner-occupied property to investment property).
- Commencement of an operating lease to another party (transfer from inventories to investment property).
- End of construction or development (transfer from property in the course of construction/development to investment property).

The following rules apply for accounting for transfers to Investment property:

- For a transfer from owner-occupied property to investment property carried at fair value, IAS 16 should be applied up to the date of reclassification. Any difference arising between the carrying amount under IAS 16 at that date and the fair value is dealt with as a revaluation under IAS 16.
- For a transfer from inventories to investment property at fair value, any difference between the fair value at the date of transfer and it previous carrying amount should be recognized in profit or loss.
- When an entity completes construction/development of an investment property that will be carried at fair value, any difference between the fair value at the date of transfer and the previous carrying amount should be recognized in profit or loss.

When an entity uses the cost model for investment property, transfers between categories do not change the carrying amount of the property transferred, and they do not change the cost of the property for measurement or disclosure purposes.

3- SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting estimates and underlying assumptions are reviewed on an ongoing basis except for change in assumption stated above at Note No. 3.1. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Useful life of depreciable assets
- Investment property
- Provisions for doubtful receivables
- Slow moving inventory
- Taxation
- Impairment
- Fair value measurement

However, the management believes that the change in outcome of the estimates has been disclosed with effect on the amount disclosed in the financial statements as stated above in Note 2.1.

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:

3.1-Financial instruments

Financial Assets

Classification: The Company classifies its financial assets in the following measurement categories:

- Amortized cost where the effective interest rate method will apply;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI)

The classification depends on the entity'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 (OCI). For investments in equity instruments that are not held for trading, 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 (FVTOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership

Measurement:

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

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 can classify its debt instruments.

Amortized Cost:

Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that 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 euective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

Fair value through other comprehensive income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit or loss and recognized in other income. 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 and impairment expenses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income in the period in which it arises.

Equity Instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established

Financial Liabilities

Financial liabilities are classified in the following categories:

- Fair value through profit or loss; and
- Other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

Fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

Other financial liabilities: After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortization process.

The Company derecognizes financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously

Impairment

Financial assets:

The Company assesses on a historical as well as on a forward looking basis the expected credit losses (ECL) as associated with its trade debts, deposits, advances, other receivables and cash and bank balances carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognized from initial recognition of the receivables while general 3-stage approach for deposits, advances and other receivables and cash and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;

- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company)

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 365 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial diflculty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for that financial asset because of financial diflculties.

The Company recognizes life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions

Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past - due status;

IFRS 7	Financial instruments: disclosures (Amendments)	January 1, 2020
IFRS 9	Financial instruments (Amendments)	January 1, 2020
IAS 19	Amendments to "Employee benefits"	January 1, 2019

The management anticipates that adoption of above new standards and amendments of the standards will have no material impact on the Company's financial statements in the period of initial application relating to disclosure of financial statements without effecting consistent accounting policy subject to applicability.

Improvements to Accounting Standards Issued by the IASB

IFRS 2 Share based payments - Definitions of vesting conditions

IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination

IFRS 3 Business Combination - Scope exception for joint ventures

IFRS 8 Operating Segments - Aggregation of operating segments

IFRS 8 Operating Segments - Reconciliation of total of the reportable segments' assets to the entity's assets

IFRS 13 Fair Value Measurements- Scope of paragraph 52 (portfolio exception)

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets- Revaluation method- proportionate Restatements of accumulated depreciation/ amortization

IAS 24 Related Party Disclosure – Key management personnel and applicable accounting policies

IAS 40 Investment Property – Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, improvements to accounting standards and interpretations will not have any effect on the financial statements in the period of initial application and relating to disclosure of financial statements without effecting consistent accounting policy subject to applicability.

The Act Amendment in Fourth Schedule **Notification Date: July 29, 2019**

SECP brought certain alterations in Fourth Schedule of the Act with regard to preparation and presentation of financial statements. These alterations resulted in elimination of certain disclosures in these financial statements of the Company as at March 31, 2020 without effecting the Financial Statements significantly.

4.3- Standards, interpretation and amendments to approved accounting standards that are not yet effective

Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan;

- IFRS 1 First time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance contracts

The following interpretation issued by the IASB has been waived out by SECP

- IFRIC 12 Service concession arrangement
- Insurance contracts

4.4- Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses except for land, building and plant and machinery which are stated at revalued amount less accumulated depreciation and accumulated impairment losses if any.

Subsequent costs are included in the asset's carrying amount or recognized as separate as sets, 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 the repair and maintenance costs are charged to profit and loss account during the period in which they incurred.

Assets' residual values, the method of depreciation and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.
Gain / loss on disposal of fixed assets, if any is taken to profit and loss account except that the related surplus on revaluation of fixed assets is transferred directly to un-appropriated profits.
Normal repair & maintenance costs are charged to the profit and loss account as and when incurred. Major renewals and improvements which increase the assets' remaining useful economic life or the performance beyond the current estimated levels are capitalized and assets so replaced, if any, are retired

Depreciation

Depreciation is charged on diminishing balance method at the rates specified in the relevant note so as to write off depreciable amount of the asset over its useful life. The Company charges the depreciation on monthly basis.
The company has classified Property plant & equipment to investment properties and has adopted fair value model as per IAS-40 therefore no depreciation has been charged.

4.5- Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.
Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.
Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any Amortization is charged over the estimated useful life of the asset on the systematic basis applying the straight line method.

4.6- Leased assets

The leases, where all the risks and rewards incidental to ownership of the leased assets have been transferred to the company are classified as finance leases. Assets subject to finance lease are capitalized at the commencement of lease term at the lower of present value of minimum lease payments under the lease agreements or the fair value of the leased assets each determined at the inception of lease.
The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance leases. The liabilities are classified as current and long term depending upon the timing of the payment.
Each lease payment is allocated between the liability and finance cost so as to achieve a constant periodic rate of interest on the balance outstanding. The interest element of the rental is charged to income over the lease term.
The Company has adopted IFRS 16 'Leases' with e-ffect from 01 July 2019. IFRS 16 "Leases" has replaced IAS 17 "Leases",the former lease accounting standard,and has become effective from annual accounting periods beginning on or after January 1, 2019. Under the new standard, almost all leases which meet the criteria described in the standard will be recognized on the statement of financial position with only exceptions of short term and low value leases.Under IFRS 16, an asset (the right to use the leased item) is recognized along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted with the specific incremental borrowing rate. There would be no effect on the financial statements on adoption of IFRS-16 during the current financial year.

Depreciation

Assets acquired under a finance lease are depreciated over the lower of lease term or useful life of assets on reducing balance method at the specified rates. Depreciation of leased assets is charged to profit and loss account. The Company charges the depreciation on month basis.

4.7- Capital work in progress

Capital work in progress is stated at cost and includes capital expenditure on that asset, labor and appropriate overheads directly relating to the project. These costs are transferred to fixed assets as and when assets are available for intended use. Where the overheads cannot be directly related to the asset, these are proportionately charged.

4.8- Staff Retirement benefits

Defined benefit plan

Defined benefit plans define an amount of gratuity that an employee will receive on or after retirement, usually depend upon on one or more factors such as age, years of services and compensation. The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefits obligation is calculated annually by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflow using interest rates of highly-quality corporate bonds or the market rates on government bonds.

The company operates a defined benefit plan i.e. an unapproved gratuity scheme covering all the permanent employees. Actuarial valuation is carried out using the Projected Unit credit method.

Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under the scheme.

All actuarial gains and losses are recognized in other comprehensive income as they occur, immediately recognize all past service costs and replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/asset.

Past service costs are immediately recognized in profit and loss account.

Defined contribution plan

A defined contribution plan is a plan under which the Company pays fixed contribution into a separate entity. The Company has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due. Prepaid contribution is recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

4.9- Investments

Classification of investments is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisitions, except for "Investments at fair value through profit or loss" which is initially measured at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provision of IFRS 9 'Financial Instruments; Recognition and Measurement' to all investments, except investments under equity method accounted for associates, which are tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

Investments with fixed or determinable payments and fixed maturity are classified as held at amortized cost when the company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long term investments that are intended to be held to maturity are subsequently measured at amortized cost. The cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized costs, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

Investment in associates is accounted for using the equity and applicable methods and is initially recognized at cost.

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as at fair value which is initially recognized at fair value. Gains or losses on available for sale investments are recognized directly in statement of other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account. Investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date. Fair value of investments in open-end mutual funds is determined using redemption period.

Other investments made in un-quoted companies are recorded by using valuation techniques.

4.10- Stocks in trade

These are stated at lower of cost or net realizable value. The methods used for the calculation of cost are as follows:Raw MaterialWeighted Average CostThere was no stock of finished goods and stocks-in-process either in earlier year or the year under report.

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

4.11- Stores, spares and loose tools

These are valued at lower of cost and net realizable value. Provision for slow moving, damaged and obsolete item are charged to profit and loss account. Value of items is being reviewed at each balance sheet date to record the provision for slow moving items, damaged and obsolete items.

4.12- Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balance with banks on current and deposit accounts.

4.13- Financial instruments

Financial instruments are carried on the balance sheet date include investments, trade debts, loans and advances, other receivables, cash and bank balances, accrued mark up and trade and other payables etc. Financial assets and liabilities are recognized when the company becomes party to the contractual provision of the instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are de-recognized when the company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

4.14- Off-setting of financial assets and financial liabilities

A financial asset and financial liability are off set and the net amount reported in the balance sheet, if the company has a legal enforcement right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.15- Provision

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognized as finance cost.

4.16- Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on the accrual basis. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to income in the period in which these are incurred..

4.17- Borrowing cost:

Borrowing and other related costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

4.18- Foreign currencies

Transaction in foreign currencies other than Pak rupees are recorded at the exchange rate prevailing on the date of transaction. At each balance sheet, monetary assets and liabilities that are dominated in foreign currencies are translated in rupees at the exchange rate ruling on the balance sheet date, except where forward exchange contracts have been entered in to for repayments of liabilities, in that case, rates contracted for, are used.

Gains and losses arising on re-translation are included in net profit & loss for the year.

4.19- Revenue recognition

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company has applied IFRS 15 using modified retrospective approach with initial application date of July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). Based on management's assessment of the contractual arrangements with customers, the adoption of IFRS 15 does not have any impact on the unconsolidated financial statements of the Company. Hence, no cumulative adjustment amounts have been recognized to adjust the opening retained earnings as at July 01, 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

The new accounting policy for revenue recognition is mentioned below.

Revenue from contracts with customers

Sale of goods

Sale of goods is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Contract assets

Contract assets arise when the Company performs its performance obligation by transferring goods to a customer before the customer pays its consideration or before payment is due, subject to customer having a choice of retuning goods in specific time period.

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.

Others

- Scrap sales are recognized on delivery to customers at realized amounts.
- Return on deposit is accrued on time proportion basis by reference to the principle outstanding and the applicable rate of return.
- Commission on insurance premium is recognized on receipt. -
- Dividend included in income as and when received irrespective of the date of the dividend declaration.

Expenses are based on mercantile basis unless and until otherwise stated.

4.20-Trade debts and other Receivables

Trade debtors and other receivables are carried at original invoice amount less an estimate made for doubtful debts based on review of all outstanding amounts at year end. Bad debts, if any, are written off when identified. Provision for bad and doubtful debt, if any, is made after ascertaining the status.

4.21- 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 or given in the future for goods and services received or to be delivered or for any other amount, whether or not billed to the Company.

4.22- Related party transaction

All transactions between company and related party are accounted for as an independent business in accordance with 'comparable Uncontrolled Price Method'. The company voluntarily places before the board of directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in accordance with normal business price recording proper justification for using if any, alternate pricing mechanism.

4.23- Taxation

Current

The charge for current tax is based on the taxable income at the current rate of taxation after taking in to account applicable tax credit, rebates and exemptions available. However, for income covered under final tax regime. The charge for current tax also include prior year adjustments, where considered, arising due to assessments finalized during the year, commencing from current tax year, where no taxable income is earned, the minimum tax as laid down in law is provided.

Deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

Temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss;

Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary diuerences and it is probable that they will not reverse in the foreseeable future; and

Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For

this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this assumption. Deferred tax assets and liabilities are offset if certain criteria are met.

4.24- Segment reporting

A segment is a distinguishable component within the company that is engaged in providing products and under a common control environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segments results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis, segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment. The company is operating in manufacturing and sale of varied interrelated consumer home products for and management has distinguished its business into main division called "foam products division" therefore no segmentation has been provided. No segmentation is required for PVA plant because of closure of operational activities. No segmentation of income has been made currently because of lease income.

4.25- Impairment

Financial Assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Financial instruments are carried on the balance sheet date include investments, trade debts, loans and advances, other receivables, cash and bank balances, accrued mark up and trade and other payables etc. Financial assets and liabilities are recognized when the company becomes party to the contractual provision of the instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are de-recognized when the company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

4.26-Dividends 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 dividends are declared and other appropriations are recognized in the

period in which these are approved by the Board of Directors In the current year no dividend has been declared in the financial year in 2019 and 2020.

4.27- Investment in associate

Associates are entities over which the company has significant influence, but not controlled. Investment in associates is accounted for using equity method of accounting. Under the equity method, the investment in associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the company's shares of profit or loss of the associate after the date of acquisition. The company's share of the profit or loss of the associate is recognized in the company's profit and loss account, whenever it is applicable. The carrying amount of investment in associate is reduced by the amount of distribution received from the associate. The carrying amount is also adjusted by the amount of changes in the company's proportionate interest in the associate arising from changes in associate's equity that is recognized directly in equity of the company account.

The carrying amount of investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognized in profit or loss. When impairment losses subsequently reversed, the carrying amount of investment is increased to the revised recoverable amounts but limited to the extent of initial cost of investment. A reversal of impairment loss is recognized in the profit and loss account. To be read with relevant IAS to the extent and manner as applicable.

4.28- Functional and Presentation currency

These financial statements are presented in Pak Rupees, which is also the Company's functional and presentation currency. All financial information presented in Pak rupees has been rounded off to nearest rupees unless otherwise stated.

4.29- Special Note

The company has prepared these financial statements on the basis non going concern. The assets and liabilities other than specifically disclosed or treated as per other standards have been valued by the management at realizable/settlement values.

4.29.1

The company in earlier year had disputes with the banks regarded its liabilities which stand settled by the orders of the learned courts the bankers have not renewed/allowed any credit/financing facilities for working capital and any imports. The company leased out its entire Land & Buildings along with its manufacturing facilities to earn rentals following a prudent policy and safeguard to common shareholders intents the first lease period was of eleven months and subsequently it was extended from time to time and its rentals are evaluated annually under normal conditions the company made plans for expiry of lease period subject to banking terms, conditions and economic situation.

4.30- Investment Property

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently these are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date.

Any gain or loss arising from a change in fair value is charged to profit or loss. Rental income from investment properties is accounted for.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Latest fair market valuation was carried out by the independent valuer on 30th June 2020 .

For the purpose of subsequent measurement, the Company determines with sufficient regularity the fair value of the items of investment property based on available active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations wherever needed are performed as of the reporting date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of fixed assets. Upon disposal of the item, the related surplus on revaluation is transferred to retained earnings (accumulated loss). Any loss arising in this manner is immediately charged to profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

An item of Investment property is derecognized either when disposed of or permanently withdrawn from use and no future economic benefits are expected from its disposal.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

		Notes	Jun-20 Rupees	Restated Jun-19 Rupees
5	**CASH AND BANK BALANCES**			
	Cash in hand and at banks		2,531,672	701,212
6	**TRADE DEBTS**			
	Considered good		1,566,168	4,226,629
	Less: allowance for doubtful balance		(54,816)	-
			1,511,352	4,226,629
7	**LOANS AND ADVANCES**			
	Advances to Employees		42,666	43,666
	Advance Sales Tax		30,030,975	31,368,724
	Advance Income Tax		31,782,964	27,700,098
	Other Advances		4,670,183	-
			66,526,788	59,112,488
8	**OTHER RECEIVABLES**			
	Receivable from Mr. Tanveer Malik		1,969,309	1,969,309
	Retail Sales Tax - considered doubtful		1,969,309	1,969,309
	Less: Provision for receivable from tanveer malik		(1,969,309)	-
			-	1,969,309
9	**STOCKS IN TRADE**			
	Raw Materials		-	8,415,706
10	**LONG TERM DEPOSITS**			
	Security Deposits	**10.1**	330,885	330,885
10.1	**Security Deposits**			
	Utilities		101,494	101,494
	CDC		25,000	25,000
	Others		204,391	204,391
			330,885	330,885

These are considerd good.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

11 INVESTMENT UNDER EQUITY METHOD

Investment under equity method	11.1	65,788,427	66,122,810
Impairment loss		-	-
		65,788,427	66,122,810

11.1 Investment under equity method

Shaffi Chemical Industries Limited - Quoted	11.1.1	-	-
Impairment loss		-	-
		-	-
Diamond Polymers (Private) Limited - Unquoted	11.1.2	65,788,427	66,122,810
		65,788,427	66,122,810

11.1.1 SHAFFI CHEMICAL INDUSTRIES LIMITED - associated company

3754240 (2019 : 3754240) ordinary shares of Rupees 10 each	-	-
Equity held 31.285% (2019 : 31.285%)		

Reconciliation

Share in net assets at the beginning of the year	-	-
Add: Share of income/(loss) after income tax	(963,992)	(1,899,315)
Share of other comprehensive income /(Loss)	(3,088)	(150,311)
Loss not to be recognized in profit and loss account	-	(2,049,626)
	(967,080)	(4,099,253)
Carrying value of investment at the year end	-	-

The company has impaired the carrying value of investment due to continious losses in associated company Shaffi Chemical Industries Ltd. the company is non operational. There was no substantial shares trading transactions during the year, however as at the reporting date the market price of shares of the company was Rs. 6.49 per share.

11.1.2 DIAMOND POLYMERS (PRIVATE) LIMITED - Associated Company

1300000 (2019: 1300000) ordinary shares of Rupees 10/- each	65,788,427	66,122,810
Equity held 43.33% (2019 : 43.33%)		

Reconciliation

Share in net assets at the beginning of the year	66,122,810	65,942,665
Add: Share of profit / (loss) after income tax	(332,041)	186,072
Share of other comprehensive income /(loss)	(2,341)	(5,928)
	(334,382)	180,145
Carrying value of investment at the year end	65,788,427	66,122,810

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

12 INVESTMENT AVAILABLE FOR SALE

Investment available for sale	**12.1**	65,509,028	71,313,512

13 INVESTMENT PROPERTIES

Investment Properties/ Property, plant and equipments	**13.1**	173,838,698	173,838,698
Revaluation on classification		25,514,585	-
		199,353,283	173,838,698
Fair value gain/ (loss)		(58,451)	-
Fair value at the end of the year		199,294,832	173,838,698

The management has reclassified Property, Plant and Equiments to Investment Properties and has adopted fair value model as per IAS 40.

M/s PROTECTORS an approved valuer duly registered with SECP had revalued the property, plant and equipments on July 02, 2019 before its classification to IAS 40 (Investment Properties). The surplus arising on revaluation has been treated as per IAS 16 according to the requirements of IAS 40. Furthermore , the fair value exercise carried out at the year end has resulted in no material difference in the carrying amount of the said properties. However, an impairment review was carried out by the management due to outbreak of Covid- 19 and by considering all external and internal factors , it conluded that no impairment is required as per IAS 40.

14 CURRENT LIABILITIES

Trade And Other Payables	**14.1**	12,377,515	26,487,787
Unclaimed Dividend	**14.2**	-	432,544
Due To Related Parties And Others	**14.3**	137,297,971	137,297,971
		149,675,486	164,218,302

14.1 TRADE AND OTHER PAYABLES

Trade Creditors	2,096,334	8,866,932
Other Payables	670,624	9,261,786
Accrued Liabilities	3,059,134	1,706,069
Sales Tax Payable	-	101,577
Workers Profit Participation Fund Payable	6,551,423	6,551,423
	12,377,515	26,487,787

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

14.2 UNCLAIMED DIVIDEND

Unclaimed Dividend		-	432,544
		-	432,544

Dividend has been Paid to relevant shareholders.

14.3 DUE TO RELATED PARTIES AND OTHERS

Other related parties	**14.3.1**	137,297,971	137,297,971
		137,297,971	137,297,971

14.3.1 This amount is due to one party against arrangement to pay off the outstanding liability of Allied Bank Limited. No terms and conditions /repayment schedule has been defined as at the reporting date and is payable on discretion of the company . No provision has been made for any mark-up.

15 DEFFERED LIABILITIES

Provision for Deferred Taxation	**15.1**	56,898,808	58,679,079
		56,898,808	58,679,079

15.1 Deferred Taxation

Deferred tax on taxable temporary differences;

Investments Under equity Method	4,421,348	4,518,319
Investments available for sale	10,838,990	12,522,290
Revaluation surplus	3,000,661	3,000,661
Accelerated Tax Depreciation	38,637,809	38,637,809
	56,898,808	58,679,079
Net Taxable / (deductible) temporary difference	56,898,808	58,679,079
	56,898,808	58,679,079

The company has classified its property, plant and equipment into investment properties as per IAS-40, and has adopted fair value model. Therefore has not charged any depreciation during the year. On prudent basis the company has freezed its temporary differences relating to accelerated tax depreciationa and revaluation surplus as per IAS-12 to the time, the company reverts back to production operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

16 PROVISION FOR TAXATION

Opening Balance	-	990,701
Current Tax	138,446	
Income Tax on dividend	2,022,493	
Adjustment of last year provisions	-	(990,701)
	2,160,939	-

Current tax is calculated on the basis of minimum tax provision as per section 113 of the Income tax Ordinance, 2001.

17 ISSUED, SUBSCRIBED & PAID UP CAPITAL

2020	2019			
Number of shares				
6000000	6000000	Ordinary shares of Rupees 10 each fully paid up in cash	60,000,000	60,000,000
3000000	3000000	Fully paid bonus shares	30,000,000	30,000,000
9000000	9000000		90,000,000	90,000,000

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

17.1 Pattern of shareholding of related parties in Diamond Industries Limited is as follow:

Company name	Status	No of Shares	No of Shares
Shaffi Chemical Industries Limited	Associated Company	1,422,450	1,422,450
Capital Industrial Enterprises (Pvt) Limited	Related party	1,076,383	1,076,383
Diamond products (Pvt) Limited	Related party	150,000	150,000
Capital Industries (Pvt) Limited	Related party	12,000	12,000

18 SURPLUS ON REVALUATION OF FIXED ASSETS

The fair value exercise carried out at the year end has resulted in no material difference, while the revaluation carried out by M/s PROCTECTORS on July 02, 2019 resulted in Further Surplus on Land of Rs. 45,700,000, Building was Impaired by Rs. 35,077,602 and Surplus on Plant and Machinery of Rs. 14,892,186. Net Revaluation Surplus arose amounting to Rs. 25,514,585.

The Land, building, plant and machinery have been revalued by an independent Valuer on the basis of present market values and replacement values on December 31, 2014 resulting in the further surplus of Rs Nil on land and Rs 62,387,440 on building situated at Gadoon, surplus of Rs 3,300,000 on land and of Rs 1,850,547 on building situated at Lahore, Surplus of Rs 4,472,000 on land and of Rs 3,734,145 on building situated at Rawalpindi and Surplus of Rs 54,126,205 on Plant and Machinery of foam and Chemical. previously, revaluation of building was carried out by Hamid Mukhtar & Co (Pvt) Ltd on April 11, 2005.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

Movement in revaluation surplus

Surplus on Land		
Opening balance	12,272,750	12,272,750
Add: during the year	45,700,000	
Total Revaluation	57,972,750	12,272,750
Surplus on Buildings		
Opening balance	116,731,436	116,731,436
Less: loss in value on revaluation	(35,077,602)	-
Total revaluation surplus on building	81,653,834	116,731,436
less: Incremental depreciation charged in previous years	41,331,067	37,362,626
less: Incremental depreciation charged in current year	-	3,968,441
	41,331,067	41,331,067
Revaluation surplus on building net off incremental depreciation	40,322,768	75,400,369
Related deferred tax liability	(3,473,201)	(4,624,049)
less: Related deferred tax liability on incremental depreciation transferred to retained earnings	-	1,150,848
	(3,473,201)	(3,473,201)
Net revaluation surplus on buildings	36,849,566	71,927,168
Surplus on Plant and machinery		
Opening balance	206,612,556	206,612,556
Add: during the year	14,892,186	-
Total revaluation surplus on plant and machinery	221,504,742	206,612,556
less: Incremental depreciation charged in previous year	149,204,534	142,825,868
less: Incremental depreciation charged in current year	-	6,378,666
	149,204,534	149,204,534
Revaluation surplus on plant and machinery net off incremental depreciation	72,300,208	57,408,022
Related deferred tax liability	(2,686,281)	(4,536,094)
less: Related deferred tax liability on incremental depreciation transferred to retained earnings	-	1,849,813
	(2,686,281)	(2,686,281)
Net revaluation surplus on plant & machinery	69,613,927	54,721,741
Closing balance	164,436,243	138,921,659

The company on classification of property , plant and equipment into the Investment properties has not charged incremental depreciation on revaluation surplus due to requirements of respective standards.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

19 Reserves

Movement in and composition of reserves is as follows:

Capital Reserve		
Fair value reserve		
At the beginning of the year	22,500,719	30,548,820
Fair Value gain during the year	(4,121,183)	(8,048,101)
At the end of the year	18,379,535	22,500,719
Revenue Reserve		
Unappropriated losses	(84,179,181)	(88,288,509)
	(65,799,646)	(65,787,790)

Capital reserve will not be available for dividends.

20 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 etc. filed a Suit for Recovery of Rs. 552,344,051 against Mr. Iftikhar Shaffi and five others including this Company and is pending before the High Court of Sindh at Karachi and is at the stage of evidence.

b. DIL Vs Arif Habib and others. (Suit No. 480/2003)

The Company filed a Suit for Declaration, Injunction and Recovery of Damages amounting to Rs. 10,989,948,199/- against Arif Habib and others which is pending. The case is still pending adjudication before the Court.

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

M/s. Aqeel Karim Dhedhi Securities Pvt. Ltd filed a suit for Recovery amounting to Rs.80,297,282/- against Mr. Iftikhar Shaffi and others including this company which is still pending.

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

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

II- LAHORE HIGH COURT LAHORE

a. DIL Vs SECP and Others. (Commercial Appeal No. 13/2002)

The company filed an appeal before the Lahore High Court Lahore against illegal freezing by SECP of company's CDC sub Account maintained with Mr. Tanvir Malik (Member LSE). The case is still pending before the Court.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

b. DIL etc. Vs Lahore Stock Exchange etc. (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 case is still pending before the Court.

III- CIVIL COURT LAHORE

a. LSE Vs Iftikhar Shaffi etc.

The Lahore Stock Exchange (G) Limited filed a Suit for recovery of Rs. 190,704,373/- against Mr. Iftikhar Ahmed Shaffi and 5 others including this Company. The said case was consolidated with the suit titled as "Iftikhar Shaffi Vs LSE & Others" and the proceedings of joint evidence were being conducting in the said cases. An order dated 13-9-2013 was passed by the Civil Judge refusing an application for summoning of certain witnesses filed by Mr. Iftikhar Shaffi and the said order was challenged in the Lahore High Court through Civil Revision No.2928/2014.Now the case has been fixed for further proceedings.

b. Aslam Motiwala Vs Lahore Stock Exchange etc.

Aslam Motiwala filed suit No.561 in 2003 against Lahore Stock Exchange and two others including M/s Diamond Industries Ltd. An application was filed by the LSE thereby seeking rejection of plaint and now the case is fixed for arguments on the said application.

IV- ATIR PESHAWAR

In the matter of taxation during the period of exemption available to the company the CIR appeals has ruled in favour of the company. The department has filed appeal on this issue before the ATIR Peshawar. The management is of the opinion that they have a strong case and the orders of CIR appeals shall be accepted by the ATIR. the quantum of tax involved is Rs. 70 million. No further provision has been made.

LEGAL ADVISOR

1. The legal advisor of the company is of the opinion that the matters discussed in para from I to IV do not attracts any adversity. The company is contesting all the cases vigorously, hence no provision is required. In the matter of reference II (a) above the company is of the view that SECP has frozen such shares previously. See note No 12.1

2. The company is title holder and owner of Shares of Quoted company and is receiving dividends.

Commitments

There were no commitments as at the reporting date (2019 NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

21 SALES (Raw Materials)

Sales Gross		11,120,173	-
Less: Sales Tax		(1,890,429)	-
		9,229,744	-

22 COST OF SALES

Raw material sold	**22.1**	8,415,705	-
		8,415,705	-

The company has sold raw material to its associated company.

22.1 Cost of raw material

Opening Stock		8,415,705	8,415,705
Purchases		-	-
		8,415,705	8,415,705
Less Closing Stock		-	(8,415,705)
		8,415,705	-

23 ADMINISTRATIVE EXPENSES

Salaries, wages & other benefits	**23.1**	15,600,000	13,200,000
Repair and maintenance		-	36,000
Legal & professional charges		553,692	4,350,764
Telephone and postage		965,268	752
Miscellaneous and fees		1,872,580	25,444
Auditor's remuneration	**23.2**	500,000	350,000
Provision for other receivable		1,969,309	-
Provision for Loss Allowance		54,816	-
Fair value loss on investment properties		58,451	
Provision for Penalty		445,184	-
		22,019,300	17,962,960

23.1 Salaries have been paid to Directors and Chief Executives . See note no. 28.

23.2 AUDITORS' REMUNERATION

Audit Fee	450,000	300,000
Half Yearly Review	50,000	50,000
Out of Pocket Expenses	-	-
	500,000	350,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

24 OTHER OPERATING INCOME

Dividend Income	13,836,682	-
Rental income	18,000,000	18,000,000
Other income	-	929
	31,836,682	18,000,929

25 FINANCE COST

Bank Charges	2,559	4,199
	2,559	4,199

26 TAXATION

Current tax		
Provision for current tax	138,446	-
Tax on dividend	2,022,493	-
	2,160,939	-
Deferred tax		
For the year	(96,971)	15,556,484
	2,063,968	15,556,484

Provision for current tax has been calculated as per section 113 of Income tax Ordinance, 2001.

27 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on earnings per share which is based on:

			Re-stated
(Loss) / Profit attributable to ordinary shares	(Rupees)	8,230,511	(28,326,056)
Average Ordinary Shares	(Numbers)	9,000,000	9,000,000
		0.91	(3.15)

28 REMUNERATION OF MANAGING DIRECTOR/ CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	MANAGING DIRECTOR/ CHIEF EXECUTIVE, DIRECTORS		EXECUTIVES	
	2020	2019	2020	2019
Managerial remuneration and allowances	15,600,000	13,200,000	-	-
Health insurance	-	-	-	-
	15,600,000	13,200,000		
Number of Persons	7	7	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2020

29 TRANSACTIONS WITH RELATED PARTIES:-

The related parties comprises of associated companies as defined in Company Act, 2017 and other related parties. The Company enters into transaction with related parties at normal course of business on the basis of mutually agreed terms. Details of significant transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:

Loan from Associated undertakings/Related Parties

Capital Industrial Enterprises (Private) Limited	Associated Company	-	-
Others	-	137,297,971	137,297,971
Unclaim Dividend Paid.		432,544	-

30 NUMBER OF EMPLOYEES

The total number of employees as at June 30, 2020 and 2019 and average number of employees during the year are as follows:

	Jun-20 No of employees	Jun-19 No of employees
Number of employees as on June 30		
-Permanent	7	7
Average number of employees during the year		
-Permanent	7	7

31 PLANT CAPACITY AND PRODUCTION

The factory along with plant & machinery has been leased out to Diamond Tyres Limited an associated undertaking, on mutually agreed terms.

32 Disclosure Requirements for All Shares Islamic Index

Company has no relationship with bank having Shariah based Operations or operating through Islamic windows.

33 FINANCIAL RISK MANAGEMENT

33.1 FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (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 company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

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.

(a) 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 risk as the company has ceased its commercial operations.

(ii) 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 has no interest bearing assets. The Company's interest rate risk arising from short term borrowings and bank balances in saving accounts. Financial instruments at variable rates expose the company to cash flow interest rate risks. 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:

	Jun-20 Rupees	Jun-19 Rupees
Floating rate instruments		
Financial assets		
Bank balances- deposit accounts	-	-
Financial liabilities		
Short term borrowings	-	-

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees nil (2019: nil) lower / higher, mainly as a result of higher / lower interest expense/income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at balance sheet dates were outstanding for the whole year.

(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 instruments traded in the market. The effect of changes in fair value of such investments made by the company, on the future profits are not considered to be material in the overall context of these financial statements. Furthermore, the Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Statement of comprehensive income (fair value reserve)	
	Jun-20	Jun-19	Jun-20	Jun-19
	(Rupees)			
KSE 100 (5% increase)	-	-	3,275,451.00	3,565,676
KSE 100 (5% decrease)	-	-	(3,275,451.00)	(3,565,676)

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, receivables from related parties, other receivables, bank balances and term deposits with banks.. The maximum exposure to credit risk at the reporting date was as follows:

		Jun-20 Rupees	Jun-19 Rupees
Long Term Deposits	See note no. 10	330,885	330,885
Trade Debts	See note no. 6	1,511,352	4,226,629
Loan and Advances	See note no. 7	66,468,337	59,112,488
Investment in associate	See note no.	65,788,427	66,122,810
Other Receivables	See note no. 8	-	1,969,309
Investments available for sale	See note no. 12	65,509,028	71,313,512
Cash and bank balances	See note no. 5	2,531,672	701,212
		202,139,701	203,776,845

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			Jun-20	Jun-19
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Allied Bank Limited	A1+	AA+	PACRA	3,365,445	1,082,768
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	789	789
Habib Bank AG Zurich Limited	A1+	AA+	PACRA	(985,061)	(726,311)
Bank Al-habib Limited	A1+	AA+	PACRA	31,400	31,400
Bank Al-falah Limited	A1+	AA	PACRA	1,487	1,487
Askari Bank Limited	A-1+	AA	JCR-VIS	376	376
Silk Bank	A-2	A-	JCR-VIS	301	301
Summit Bank	A-1	A	JCR-VIS	386	386
Meezan Bank	A-1+	AA	JCR-VIS	10,010	10,010
Cash In Hand				106,539	300,006
				2,531,672	**701,212**

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 6.

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

The Company has established a credit policy for its industrial and retail customers under which each new customer is analyzed individually for credit worthiness before the Company enters into a commercial transaction. The Company's review includes identity checks, minimum security deposits, bank guarantees and in some cases bank references. Credit limits are established for each customer in accordance with the security deposit or bank guarantee received, which represents the maximum open amount without requiring approval from the higher management; customer limits are reviewed on a regular basis and once the credit limits of individual customers are exhausted, further transactions are discontinued.

The Company recognises ECL for trade debts using the simplified approach described below,

	91-180 Days	181-365 Days	More than 365 Days	Total
	2%	5%	10%	
Balance as at June 30, 2020	755,676	755,676	-	1,511,352
Loss allowance	(15,114)	(37,784)	-	(52,897)
Balance as at June 30, 2019	2,113,315	2,113,315		4,226,629
Loss allowance	-	-	-	-

ECL on other receivables is calculated using general approach.

As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables and advances is minimal and thus based on historical trends adjusted to reflect current and forward looking information, loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables was determined as follows:

(c) 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 and the availability of funding through an adequate amount of committed credit facilities. At 30 June, 2020 the comapany had Rupees 2,531,672 (2019: Rs.701,212) Cash and Bank Balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments.The company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. Following are the contractual maturities of financial liabilities. The amounts disclosed in the table are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 June 2020

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(Rupees)					
Non-derivative financial liabilities:						
Trade and other payables	11,382,331	11,382,331		11,382,331	-	-
Loan from related party	137,297,971	137,297,971		137,297,971		
	148,680,302	148,680,302	-	148,680,302	-	-

Refer note no. 14.3.1.

Contractual maturities of financial liabilities as at 30 June 2019

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(Rupees)					
Non-derivative financial liabilities:						
Trade and other payables	26,487,787	26,487,787	-	26,487,787	-	-
Loan from related party	137,297,971	137,297,971	-	137,297,971		
	163,785,758	163,785,758	-	26,487,787	-	-

There are no such transactions that are above 1 year.

The contractual cash flows relating to the above financial liabilities have been determined on the basis of actual disbursment having no markup.

Reconciliation of movement of liabilities to cashflows arising from financing activities is as follows:

	Short-Term Borrowings Used For Cash Management Purpose	TOTAL
Balance as at July 01,2019	137,297,971	137,297,971
Changes from financing cash flows		
Repayment of loan	-	-
Proceeds from loan	-	-
Receipts of security deposit	-	-
Disbursement of secuirty deposit	-	-
Total changes from financing activities		
Other Changes , Interest Cost		
Interest expenses	-	-
Interest Paid	-	-
Exchange loss	-	-
Amortization of transaction cost	-	-
Finance cost capitalized	-	-
Changes in running finance	-	-
Total loan related		
Other Changes		
Balance as at June 30,2020	137,297,971	137,297,971

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 into levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs.

	Level 1	Level 2	Level 3	Total
	(Rupees)			
As at 30 June 2020				
Assets				
Available for sale financial assets	65,509,028	-	-	65,509,028
Investment in associates		65,788,427		
As at 30 June 2019				
Assets				
Available for sale financial assets	71,313,512	-	-	71,313,512
Investment in associates		66,122,810		

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Company is the current bid price. These financial instruments are classified under level 1 in above referred table.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The Company has no such type of financial instruments as at 30 June 2020.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3.The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments. The Company has no such type of financial instruments.

33.3 Financial instruments by categories

	At Fair Value	At Amortized Cost	Total
	Rupees	Rupees	Rupees
As at 30 June 2020			
Assets as per balance sheet			
Long Term Deposits	330,885	-	330,885
Trade Debts	1,511,352	-	1,511,352
Loans and Advances	66,468,337	-	66,468,337
Other Receivables	-	-	-
Investment -Available for Sale	65,509,028	-	65,509,028
Cash and Bank Balances	2,531,672	-	2,531,672
	136,351,274	-	136,351,274

	At Fair Value
	Rupees
Liabilities as per balance sheet	
Trade and other payables	11,382,331
Loan from related party	137,297,971
	148,680,302
	148,680,302

	At Fair Value
	Rupees
Liabilities as per balance sheet	
Trade and other payables	26,487,787
Loan from related party	137,297,971
	163,785,758

33.4 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to 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, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings dividend by total capital employed. Borrowings represent short term borrowings obtained by the company as refred to in Note 14. Total Capital employeed includes 'total equity' as shown in balance sheet .

		Jun-20	Jun-19
Borrowings	Rupees in thousand	137,298	137,297.97
Total Equity	Rupees in thousand	204,540	180,174
Total Capital Employed	Rupees in thousand	341,838	317,472
Gearing ratio	Percentage	40%	43%

34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorised for issue on September 30, 2020 by the Board of Directors of the company.

35 GENERAL

35.1 Figures have been rounded off to nearest rupee.

35.2 **Impact of COVID - 19 on the financial statements**

In March , the World Health Organization declared Coronavirus disease (COVID-19) a pandemic, and its spread had gained momentum and general lockdowns had been imposed in most parts of the country. The Government lifted ban on most of the businesses by moving towards the smart lock down at the end of April, 2020 These measures lead to uncertainty of an overall economic slowdown and disruptions to various businesses, however the management is of the opinion that the mitigating plans and actions proposed by the Government of Pakistan and State Bank of Pakistan had been addressed adequately and are considered sufficient to restore the economy in the broader sense as it was before. As the result of such measures, the business activities gained momentum . On the basis of current and prospective financial situation by taking in account the management best estimates and assumptions relating to projections subject to consistent accounting policies being applied, an impairment review was carried out by the management and it has been ascertained that no impairment of financial assets was required as per IAS 36 , IAS 40 and IFRS 09. However the management has prepared its financial statements on non -going concern basis (fair value basis) and ceased its commercial operations , therefore outbreak of COVID-19 had no significant financial impacts.

Chief Executive Chief Financial Officer Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

13.1 PROPERTY, PLANT AND EQUIPMENT

	Jun - 2020 Annual Rate of Depreciation %	Costs as at 1-Jul-19	Additions / (Deletions)	Revaluation as per IAS 16 before classification to investment properties	Cost as at 30-Jun-20	Accumulated Depreciation as at July 01, 2019	Reversal of Accumulated Depreciation
-Leasehold							
-Freehold							
Land including leased hold land	0%	14,300,000		45,700,000	60,000,000	-	-
Building (Also includes building on leasehold land)	5%	137,924,441	(56,071,489)	(35,077,602)	46,775,350	56,071,489	(56,071,489)
Plant and Machinery - Foam & Chemical	10%	278,367,746	(203,259,932)	14,892,186	90,000,000	203,259,932	(203,259,932)
Office Equipment	10%	6,101,669			6,101,669	4,110,124	-
Furniture and fixtures	10%	4,097,033			4,097,033	3,825,197	-
Vehicles not plying for hire							
		442,124,213	(259,331,422)	25,514,585	208,307,376	268,285,515	(259,331,422)

Investment Properties	Fair value on transfer to IAS 40 as at July 2019	Fair value gain/ (loss)	Fair value as at June 30, 2020
-Leasehold			
-Freehold			
Land including leased hold land	60,000,000	-	60,000,000
Building (Also includes building on leasehold land)	46,775,350	-	46,775,350
Plant and Machinery - Foam & Chemical	90,000,000	-	90,000,000
Office Equipment	1,991,545	-	1,991,545
Furniture and fixtures	271,836	(58,451)	213,385
Vehicles not plying for hire	-		-
	-		-
	199,353,283	(58,451)	199,294,832

(Add disclosure relating to F.A Schedule of 2019)

PROPERTY, PLANT AND EQUIPMENT

	Jun - 2019								
	Annual Rate of Depreciation %	Costs as at 1-Jul-18	Additions / (Deletions)	Revaluation -	Cost as at 30-Jun-19	Accumulated Depreciation as at July 01, 2018	Depreciation charge / (deletions) for the year	Accumulated depreciation as at Jun 30, 2019	Book Value as at Jun 30, 2019
-Leasehold									
Land	0%	3,600,000			3,600,000	-	-	-	3,600,000
-Freehold									
Land	0%	10,700,000			10,700,000	-	-	-	10,700,000
Building (Also includes building on leasehold land)	5%	137,924,441			137,924,441	51,763,439	4,308,050	56,071,489	81,852,952
Plant and Machinery - Foam & Chemical	10%	278,367,746			278,367,746	194,914,620	8,345,313	203,259,932	75,107,814
Office Equipment	10%	6,101,669			6,101,669	3,888,841	221,283	4,110,124	1,991,545
Furniture and fixtures	10%	4,097,033			4,097,033	3,794,993	30,204	3,825,197	271,836
Vehicles	20%	1,333,324			1,333,324	940,134	78,638	1,018,772	314,552
Vehicles not plying for hire									
		442,124,213	-	-	442,124,213	255,302,027	12,983,488	268,285,515	173,838,698

The company claims that the fixed assets & operational activities have been temporarily leased out Diamond tyres limited to tide over the financial constraints.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED June 30, 2020

12.1 Quoted Investments

Sr #	Name of the Company	Jun 20						
		No. of Shares			Rate	Market Value (Rs.)	Market Value (Rs.) 2019	Gain/ (loss)
		CDC	Physical	Total				
1	ICI Pakistan Limited	-	330	330	694.71	229,254.30	175,715.10	53,539
2	The Bank Of Punjab	27,896	917	28,813	8.40	242,029.20	263,638.95	(21,610)
3	Nishat Mills Ltd.	130	-	130	78.01	10,141.30	12,134.20	(1,993)
4	Sui Northern Gas Pipelines Ltd	794	-	794	54.60	43,352.40	55,175.06	(11,823)
5	Askari Commercial Bank Ltd.	2,088,908	-	2,088,908	13.71	28,638,928.68	39,501,250.28	(10,862,322)
6	Fauji Fertilizer Company Ltd.	297,597	-	297,597	109.99	32,732,694.03	25,950,458.40	6,782,236
7	First Fidelity Leasing Modaraba	25,000	-	25,000	3.51	87,750.00	107,500.00	(19,750)
8	First Punjab Modarba	151,000	-	151,000	2.00	302,000.00	347,300.00	(45,300)
9	Faysal Bank Ltd.	211,422	382	211,804	13.93	2,950,429.72	4,558,022.08	(1,607,592)
10	Allied Bank Limited	-	2,946	2,946	76.58	225,604.68	309,388.92	(83,784)
11	Samba Bank formely Trust commercial bank	5,998	-	5,998	7.81	46,844.38	32,929.02	13,915
	TOTAL	**2,808,745**	**4,575**	**2,813,320**		**65,509,028**	**71,313,512**	**(5,804,483)**

All the above shares are held in CDC Sub-account maintained with Mr. Tanveer Malik. The CDC sub account of Mr. Tanveer Malik has been frozen by SECP due to the default of the said member. Note No. 10 read with Note No. 12. The company has also filed legal cases.

Operating Highlights

		2015	2016	2017	2018	2019	2020
KEY INDICATORS							
OPERATING							
GROSS MARGIN	%	14.17	16.93	0.36	2.94	-	9.00
OPERATING MARGIN	%	(1.36)	11.30	(64.95)	-2.40	-	1.15
PRE TAX MARGIN	%	(7.30)	10.64	(65.92)	-8.83	-	1.12
NET MARGIN	%	(9.01)	4.32	(67.36)	18.65	-	0.89
PERFORMANCE							
RETURN ON ASSETS	%	(4.17)	15.10	(86.67)	4.26	-7.32	2.05
ASSETS TURNOVER	Times	0.57	0.84	1.28	0.23	-	0.02
FIXED ASSETS TURNOVER	Times	2.76	3.49	4.70	0.52	-	0.05
INVENTORY TURNOVER	Times	2.21	2.19	5.01	1.77	-	0.00
RETURN ON EQUITY	%	(8.66)	5.06	(221.04)	8.21	-15.69	0.04
LEVERAGE							
DEBT : EQUITY	Times	0.53	0.17	4.5	0.63	0.76	0.71
LIQUIDITY							
CURRENT	Times	1.67	3.00	0.73	2.08	1.88	1.92
QUICK	Times	0.93	1.86	0.58	2.03	1.83	1.92
VALUATION							
EARNING PER SHARE (PRE TAX)	RS.	(5.17)	0.92	(68.91)	-0.95	-1.42	1.14
EARNING PER SHARE (AFTER TAX)	RS.	(6.38)	3.72	(70.42)	2.00	-3.14	0.91
BREAK UP VALUE	RS.	73.67	73.46	2.40	24.42	20.02	21.42
HISTORICAL TRENDS							
TRADING RESULTS							
TURNOVER	RS.	637,194	774,114	940,884	96,742	-	9,230
GROSS PROFIT / (LOSS)	RS.	90,322	131,059	3,421	2,846	-	814
OPERATING PROFIT / (LOSS)	RS.	(8,667)	87,545	(611,148)	(2,326)	(12,946)	10,631
PROFIT/(LOSS) BEFORE TAX	RS.	(46,492)	82,403	(620,202)	(8,543)	(12,770)	10,294
PROFIT/(LOSS) AFTER TAX	RS.	(57,423)	33,470	(633,741)	18,044	(28,274)	8,231
FINANCIAL POSITION							
SHAREHOLDERS' FUNDS	RS.	663,069	661,104	21,604	219,783	180,174	192,758
PROPERY, PLANT & EQUIPMENT	RS.	231,138	221,680	200,995	186,822	173,839	199,295
NET CURRENT ASSETS	RS.	281,515	440,605	(171,204)	219,783	180,174	192,758
LONG TERM ASSETS	RS.	413,238	289,775	271,688	-		-
LONG TERM LIABILITIES	RS.	31,683	69,277	78,879	-		-

FORM 34

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

1.1 Name of the Company **DIAMOND INDUSTRIES LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2020**

	------Shareholdings------		
2.2 No. of Shareholders	**From**	**To**	**Total Shares Held**
70	1	100	2,747
133	101	500	45,862
26	501	1,000	22,750
32	1,001	5,000	65,549
4	5,001	10,000	30,124
2	10,001	15,000	24,500
3	20,001	25,000	66,500
1	25,001	30,000	28,500
1	120,001	125,000	121,500
1	145,001	150,000	150,000
1	345,001	350,000	348,090
1	475,001	480,000	476,855
1	520,001	525,000	520,480
1	555,001	560,000	559,060
1	1,420,001	1,425,000	1,422,450
1	1,450,001	1,455,000	1,453,650
1	1,705,001	1,710,000	1,710,000
1	1,950,001	1,955,000	1,951,383
281			**9,000,000**

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	3,167,150	35.1906%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	3,546,333	39.4037%
2.3.3 NIT and ICP	700	0.0078%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	559,060	6.2118%
2.3.5 Insurance Companies	-	-
2.3.6 Modarabas and Mutual Funds	500	0.0056%
2.3.7 Shareholders holding 10% or more	6,537,983	72.6443%
2.3.8 General Public		
a. Local	1,309,666	14.5518%
b. Foreign	-	0.0000%
2.3.9 Others (to be specified)		
Joint Stock Companies	416,591	4.6288%

DIAMOND INDUSTRIES LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2020

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	DIAMOND PRODUCTS (PVT) LTD	150,000	1.6667
2	SHAFFI CHEMICAL INDUSTRIES LTD. (CDC)	1,422,450	15.8050
3	CAPITAL INDUSTRIAL ENTERPRISES (PVT) LTD.(CDC)	1,951,383	21.6820
4	SYMBOL INDUSTRIES (PVT) LTD. (CDC)	22,500	0.2500
Mutual Funds (Name Wise Detail)			
1	FIRST CAPITAL MUTUAL FUND LTD	500	0.0056
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. IFTIKHAR A. SHAFFI	1,710,500	19.0056
2	MR. SHARIQ IFTIKHAR (CDC)	1,453,650	16.1517
3	MR. ABDUL SHAKOOR	500	0.0056
4	MR. MUHAMMAD SAMEER	500	0.0056
5	MR. HASHIM ASLAM BUTT	500	0.0056
6	MR. MOHIB HUSSAIN	500	0.0056
7	MR. QASIER SALEEM KHAN	500	0.0056
8	MR. IMRAN KABIR	500	0.0056
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		559,060	6.2118

Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

S. No.	Name	Holding	Percentage
1	CAPITAL INDUSTRIAL ENTERPRISES (PVT) LTD.(CDC)	1,951,383	21.6820
2	MR. IFTIKHAR A. SHAFFI	1,710,500	19.0056
3	MR. SHARIQ IFTIKHAR (CDC)	1,453,650	16.1517
4	SHAFFI CHEMICAL INDUSTRIES LTD. (CDC)	1,422,450	15.8050
5	BANK ALFALAH LIMITED- LAHORE STOCK EXCHANGE (CDC)	559,060	6.2118
6	MR. MUDASSAR IFIKHAR (CDC)	520,480	5.7831
7	MR. MUZAMMIL EJAZ (CDC)	476,855	5.2984

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

FORM OF PROXY

I/We ____

of ____
being a member of DIAMOND 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 # 25, Gadoon Amazai Industrial Estate Estate, Swabi Khyber Pakhtoonkhwa on Saturday 24th October, 2020 at 11:00 a.m. and any adjournment thereof.

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

1)Witness:
Signature ______________
Name ______________
Address ______________

Signature of Member

2)Witness:
Signature ______________
Name ______________
Address ______________
____

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

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

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

-For CDC Account Holders / Corporate Entities

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

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

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

پراکسی کا فارم

ڈائمنڈ انڈسٹریز لمیٹڈ

میں/ہم ____________________

کے ____________________

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

کے __________ کے ____________________

کمپنی سالانہ اجلاس عام جو کہ 24 اکتوبر 2020 بروز ہفتہ صبح 11 بجے ہمارے رجسٹرڈ آفس، پلاٹ نمبر 25 گدون امازے انڈسٹریل اسٹیٹ اسٹیٹ صوابی خیبر پختونخواہ میں منعقد ہوگا میں کمپنی کا کوئی دوسرا ممبر (کمپنی کے ممبر ہونے کے ناطے) جو میری/ہماری پراکسی کے طور پر شرکت کرے گا اور میری /ہماری جانب سے ووٹ دے گا۔

گواہی میں نے/ہم نے بقلم خود دی __________ بروز __________ 2020 __________

1) گواہ

دستخط __________

نام __________

پتہ __________

____

ممبر کے دستخط

دستخط	__________	زیر ملکیت حصص	__________
نام	__________	شیئر ہولڈر کا فولیو نمبر	__________
پتہ	__________	سی ڈی سی اے/سی نمبر	__________
	__________	کمپیوٹرائزڈ شناختی کارڈ نمبر	__________

نوٹ:

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

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

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

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

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

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

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