



# DIAMOND INDUSTRIES LIMITED

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# DIAMOND INDUSTRIES LIMITED

## CORPORATE PROFILE

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY

- Mr. Zahoor Ahmad

### CHIEF FINANCIAL OFFICER

- Mr. Munawar Hussain

### AUDIT COMMITTEE

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

### HUMAN RESOURCE & REMUNERATION COMMITTEE

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

### LEGAL ADVISOR

- A.K. Minhas Law Associates

### AUDITORS

SARWARS Chartered Accountants  
Office # 12-14, 2<sup>nd</sup> 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 Limited

### 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](mailto:info@diamondfoam.com)

### SHARE REGISTRAR

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



# DIAMOND INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of **Diamond Industries Ltd.**, feels pleasure to present before you unaudited quarterly financial statements of your company for the quarter ended 30<sup>th</sup> September, 2020.

### **BRIEF REVIEW OF OPERATIONS:**

As already reported in Directors' Report of the latest annual financial statements, that the management intends to resume its business activities but due to sharp devaluation of local currency against US dollar, Covid-19 virus impacts, un-precedented price hike in rates of raw materials and increased working capital requirements, currently it is not feasible to restart its core business activities. However during the quarter under review, the company has earned operating profit / (Loss) of Rs. 1.235 million as compared to Rs. 4.634 million of the preceding quarter which was due to sale of old stock and other operating income of Rs. 5.318 million comprising rental income and dividend income. Whereas due to deferred tax calculation, Profit / (Loss) after taxation is Rs. (1.980) million as against of Rs. 3.290 million of the corresponding quarter.

### **FUTURE OUTLOOK:**

The management is continuously monitoring the macroeconomic environment of the country and will resume its manufacturing activities upon availability of financing facilities and stability of economic situation of country. Directors are applying their untiring efforts to exploit the available opportunities in the market to maximize the shareholders wealth and earn profit without taking un-necessary risk.

### **EARNING PER SHARE:**

The earnings per share of the company for the period under review are Rs. (0.22) as compared to Rs. 0.37 in the last corresponding quarter ended 30<sup>th</sup> September, 2019.

### **ACKNOWLEDGEMENT:**

The Board of Directors deeply expresses its appreciation to the staff, workers and all other stakeholders for their continued support in achieving the reported level of performance.

For and on behalf of Board

IFTIKHAR SHAFFI  
Chief Executive

IMRAN KABIR  
Director

Lahore  
Dated:- 27<sup>th</sup> October, 2020



## DIAMOND INDUSTRIES LIMITED

### ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز: ڈائمنڈ انڈسٹریز لمیٹڈ کے ڈائریکٹر 30 ستمبر 2020ء کو ختم ہونے والی سہ ماہی کیلئے آپ کو غیر آڈٹ شدہ مالیاتی بیانات پیش کرنے پر خوش محسوس کرتے ہیں۔

مختصر مالیاتی جائزہ: مینجمنٹ اپنی کاروباری سرگرمیوں کو دوبارہ شروع کرنا چاہتی تھی مگر سیٹ بینک کی ECIB رپورٹ کی نان کلیئرنس (اگرچہ الائیڈ بینک کے واجبات ادا کر دیئے ہیں)، کابینہ میں اضافہ جو کہ یو ایس ڈالر کے مقابلے میں پاک روپے کی قدر میں تیزی سے کمی، کرونا وائرس کے اثرات، خام مال کے نرخ میں تیزی سے اضافہ اور بڑھتی ہوئی ورکنگ کیپٹل کی ضروریات کے پیش نظر اسکی کاروباری سرگرمیوں کو دوبارہ شروع کرنا ممکن نہیں ہے۔

انتظامی نقصان / منافع پچھلے سہ ماہی 4.634 ملین روپے کے مقابلے میں 1.235 ملین روپے رہا۔ اور نفع / (نقصان) بعد از ٹیکس پچھلے سہ ماہی 3.290 ملین روپے کے مقابلے میں (1.980) ملین روپے رہا۔

مستقبل کا جائزہ: کمپنی ملک کے بڑے لیول پر معاشی ماحول کو مانیٹر کر رہی ہے۔ اور ملک کے اندر کرونا کی وجہ سے جو حالات ہیں ان میں مالی سہولتوں کی فراہمی اور مالی حالات کی بہتری پر اگلے سال کے آغاز میں سرگرمیوں کو دوبارہ شروع کرے گی۔

ڈائریکٹرز موجودہ وسائل کو استعمال کر کے منافع کمانے اور مارکیٹ میں موجود مواقع کو اجاگر کرنے کی بہترین کوشش کر رہے ہیں۔

فی حصہ شیئر: فی حصہ آمدنی / (نقصان) 30 ستمبر 2020ء میں پچھلی سہ ماہی میں 0.37 روپے فی حصہ کے مقابلے میں (0.22) روپے فی حصہ رہا۔

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

بتاریخ: 27 اکتوبر 2020ء

لاہور

عمران کبیر  
ڈائریکٹر

افتخار شفیع  
چیف ایگزیکٹو



# DIAMOND INDUSTRIES LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

	Note	September 2020		2020	
		Book value	Estimated Realisable/ settlement value	Book value	Estimated Realisable/ settlement value
ASSETS					
Cash and bank balances		761,645	761,645	2,531,672	2,531,672
Trade Debts		756,255	756,255	1,511,352	1,511,352
Loan and Advances		68,144,050	68,144,050	66,526,788	66,526,788
Long Term Deposits		330,885	330,885	330,885	330,885
Investments Under equity Method	11	65,788,428	65,788,428	65,788,427	65,788,427
Investments available for sale		75,758,448	75,758,448	65,509,028	65,509,028
Investment Properties	10	199,294,841	199,294,841	199,294,832	199,294,832
TOTAL ASSETS		410,834,552	410,834,552	401,492,985	401,492,985
LIABILITIES					
Trade and other payables		12,395,314	12,395,314	12,377,515	12,377,515
Due to related parties and others	8	137,297,971	137,297,971	137,297,971	137,297,971
Deferred liabilities		59,871,140	59,871,140	56,898,808	56,898,808
Provision for taxation		243,658	243,658	2,160,939	2,160,939
TOTAL LIABILITIES		209,808,082	209,808,082	208,735,233	208,735,233
NET ASSETS		201,026,470	201,026,470	192,757,751	192,757,751
REPRESENTED BY:-					
Authorized share capital					
12,000,000 Ordinary shares of Rs. 10/- each		120,000,000	120,000,000	120,000,000	120,000,000
Issued, subscribed and Paid Up Capital	7	90,000,000	90,000,000	90,000,000	90,000,000
Surplus on revaluation of fixed assets		164,436,215	164,436,215	164,436,215	164,436,215
Reserves		(53,409,745)	(53,409,745)	(61,678,463)	(61,678,463)
Share Holders' Equity		201,026,470	201,026,470	192,757,751	192,757,751
Contingencies & Commitments	9			-	-
		201,026,470	201,026,470	192,757,751	192,757,751

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

Chief Executive

Chief Financial Officer

Director



# DIAMOND INDUSTRIES LIMITED

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

	Note	Quarter Ended September 30, 2020 Rupees	Quarter Ended September 30, 2019 Rupees
Sales - net (Raw material)		-	9,229,744
Cost of raw material sold		-	(8,415,705)
Gross profit		-	814,039
Depreciation for the year		-	(2,973,169)
Administrative expenses		(4,083,105)	(5,096,416)
		(4,083,105)	(8,069,585)
		(4,083,105)	(7,255,546)
Other Operating income		5,318,392	11,892,853
Profit from Operations		1,235,287	4,637,307
Finance Cost		-	(3,063)
Share of profit/(loss) of associated companies		-	-
Profit before Taxation		1,235,287	4,634,244
TAXATION			
- Current		(243,658)	(2,041,618)
- Deferred Tax		(2,972,332)	697,688
		(3,215,989)	(1,343,930)
Profit / (Loss) after Taxation		(1,980,702)	3,290,313
Earning/ (Loss) per Share	12	(0.22)	0.37

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

  
Chief Executive

  
Chief Financial Officer

  
Director



# DIAMOND INDUSTRIES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Quarter Ended September 30,2020 Rupees	Quarter Ended September 30,2019 Rupees
<b>Profit / (Loss) for the year</b>	3,290,313	3,290,312
<b>Other Comprehensive Income</b>		
<b>Items that cannot be reclassified to profit and loss account</b>		
Revaluation During the year before classification to Investment properties	-	-
Related deferred tax		
<b>Items that may be reclassified to profit and loss account</b>		
Unrealized gain / (loss) arising on remeasurement of available for sale investments	10,249,419	(2,321,030)
Related Deferred tax		
	10,249,419	(2,321,030)
<b>Total Comprehensive Income for the year</b>	<u>13,539,732</u>	<u>969,282</u>

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

  
Chief Executive

  
Chief Financial Officer

  
Director



# DIAMOND INDUSTRIES LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Quarter Ended September 30, 2020 Rupees	Quarter Ended September 30, 2019 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	1,235,287	4,634,243
<b>Adjustment for Non Cash and other items:</b>		
Depreciation on property, plant and equipment	-	2,973,169
Share of loss of associated company	-	-
Provision for other receivable	-	-
Finance cost	-	3,063
Fair value loss on investment properties	-	-
Interest Income	-	-
Dividend Income	(818,392)	-
<b>Cash Flow Before Working Capital Changes</b>	<u>416,895</u>	<u>7,610,475</u>
<b>Working Capital Changes</b>		
<b>(Increase)/Decrease in Current Assets</b>		
Stock in Trade	-	8,415,706
Trade Debts	755,097	678,425
Loans and Advances	(3,655,446)	328,109
	<u>(2,900,349)</u>	<u>9,422,240</u>
<b>Increase/(Decrease) in Current Liabilities</b>		
Trade and Other Payables	17,799	(8,703,584)
Cash Inflow / (Outflow) From Operations	<u>(2,465,655)</u>	<u>8,329,131</u>
Income tax paid	(122,755)	(1,486,901)
Finance cost paid	-	(3,063)
<b>Net Cash Inflow / (Outflow) From Operating Activities</b>	<u>(2,588,410)</u>	<u>6,839,167</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend Income	818,392	-
Interest income	-	-
<b>Net Cash Generated from /(used in) Investing Activities</b>	<u>818,392</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Due to Related Parties and others	-	(6,178,363)
<b>Net Cash Flow from Financing Activities</b>	<u>-</u>	<u>(6,178,363)</u>
Net (Decrease) in Cash & Cash Equivalents	(1,770,018)	660,804
Cash & Cash Equivalents at Beginning of the Year	2,531,672	701,212
<b>Cash &amp; Cash Equivalents at End of the year</b>	<u>761,654</u>	<u>1,362,016</u>

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

Chief Executive

Chief Financial Officer

Director





# DIAMOND INDUSTRIES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Share Capital	Revaluation Surplus	RESERVES		TOTAL EQUITY
			CAPITAL	REVENUE	
			Fair value reserve	Accumulated Profits / Losses	
			(Rupees)		
Balance as at 01 July 2018	90,000,000	138,921,630	19,213,466	(67,960,648)	180,174,448
Incremental depreciation on surplus on revaluation of property, plant & equipment		(1,688,171)		1,688,171	-
Profit / (Loss) for the year				3,290,312	3,290,312
Other comprehensive income for the year			(2,321,030)		(2,321,030)
<b>Balance as at 30 September 2019- Unaudited</b>	<b>90,000,000</b>	<b>137,233,459</b>	<b>16,892,436</b>	<b>(62,982,164)</b>	<b>181,143,730</b>
Balance as at 01 July 2020	90,000,000	164,436,215	22,500,718	(84,179,181)	192,757,752
Incremental depreciation on surplus on revaluation of property, plant & equipment					
Profit / (Loss) for the year				(1,980,702)	(1,980,702)
Other comprehensive income for the year			10,249,419		10,249,419
<b>Balance as at 30 September 2020- Unaudited</b>	<b>90,000,000</b>	<b>164,436,215</b>	<b>32,750,138</b>	<b>(86,159,883)</b>	<b>201,026,469</b>

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

Chief Executive

Chief Financial Officer

Director



# DIAMOND INDUSTRIES LIMITED

## CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

For The Quarter Ended September 30, 2020 (Un-Audited)

### 1 STATUS AND NATURE OF BUSINESS

The Company was incorporated under the Companies Act 2017 as a Private Limited Company on June 18, 1989 and was converted into Public Limited Company on 3rd August 1994. The shares of the company are quoted on Karachi, Lahore and Islamabad Stock Exchanges of Pakistan. The registered office of the company is situated at Industrial Estate Gadoon, Amazai, Khyber Pakhtoonkhwa. The principal activity of the company is to manufacture and sales of foam, foam products, various industrial chemical/ chemical binders used in textile, leather and wood industries. The company has fixed assets located in Lahore, Rawalpindi and Gadoon.

#### GOING CONCERN ASSUMPTION

a) The company has leased out its manufacturing facility along with allied machinery to its associated undertaking M/s Diamond Tyres Limited. 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 realisable / settlement value of liabilities and assets, other than fixed assets. The management has estimated the realisable / settlement values equivalent to historical cost.

b) The Company in the year under audit declared a net loss after tax of Rs.1.98 million after charging deferred tax income of Rs. 2.97 million for the period ended September 30, 2020. The company's net equity after including the revaluation surplus of fixed assets of Rs. 164.436 million result at Rs.201.26 million (2020: Rs. 192.757 million). Further the cash flows of the company are not enough to liquidate 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 values at the period end as fair values other than those specifically declared.

### 2 STATEMENT OF COMPLIANCE

This Condensed interim financial information is unaudited and is being submitted to the members as required by section 237 of the Companies Act 2017. The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and have been reviewed by the auditors as required by the Code of Corporate Governance. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended June 30, 2020.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2020. Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 1, 2020 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in this condensed interim financial information.

### 4 TAXATION

The provision for the quarter ended September 30, 2020 has been made on an estimated basis.

### 5 BASIS OF PREPARATION

Keeping in view the fact that company may not be able to continue as going concern, these financial statements are prepared on the basis of realisable/ settlement values of assets and liabilities respectively. In realisable/ settlement value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, that is undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business. Realisable / settlement values of assets and liabilities respectively as disclosed in the balance sheet are based on the managements' estimate, except for property, plant and equipment which are valued by independent valuer.

These condensed interim financial statements are un-audited and are submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984. These interim financial statements are prepared in accordance with the requirements of the International Accounting Standards 34 'Interim Financial Reporting'.

### 6 ACCOUNTING POLICIES

The accounting policies adopted in preparation of these financial statements are the same as those applied in the preparation of the preceding annual audited published financial statements of the Company.



# DIAMOND INDUSTRIES LIMITED

## 7 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of shares			Un-Audited	Audited
September 30, 2020	June 30, 2020		September 30, 2020	June 30, 2020
Numbers	Numbers		Rupees	Rupees
6,000,000	6,000,000	Fully paid in cash	60,000,000	60,000,000
3,000,000	3,000,000	Fully paid bonus shares	30,000,000	30,000,000
<u>9,000,000</u>	<u>9,000,000</u>		<u>90,000,000</u>	<u>90,000,000</u>

## 8 Due To Related Parties

	Un-Audited	Audited
	September 30, 2020	June 30, 2020
	Rupees	Rupees
Others	<u>137,297,971</u>	<u>137,297,971</u>
	<u>137,297,971</u>	<u>137,297,971</u>

This amount is due 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 demand.

## 9 CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies from the annual financial statements of the company for the year ended June 30, 2020

## 10 PROPERTY, PLANT AND EQUIPMENT

	Un-Audited	Audited
	September 30, 2020	June 30, 2020
	Rupees	Rupees
Property, Plant And Equipment	<u>199,294,832</u>	<u>199,294,832</u>
Book value at the beginning of the period	199,294,832	199,353,283
adjustment:		
Fair value	<u>-</u>	<u>(58,451)</u>
	<u>199,294,832</u>	<u>199,294,832</u>

## 11 LONG TERM INVESTMENT

Investment in related parties:

-under equity method

Diamond Polymers (Pvt.) Ltd

Total

<u>66,122,810</u>	<u>66,122,810</u>
<u>66,122,810</u>	<u>66,122,810</u>

## 12 EARNING PER SHARE

Profit / (loss) after taxation	<u>(1,980,702)</u>	<u>8,230,511</u>
	<b>Number of shares</b>	
Issued, subscribed and Paid up Capital	9,000,000	9,000,000
Earnings / (loss) per share	<u>(0.22)</u>	<u>0.91</u>



# DIAMOND INDUSTRIES LIMITED

## 13 TRANSACTIONS WITH RELATED PARTIES

Transactions and contracts with the related parties are carried out at arm's length prices determined in accordance with comparable uncontrolled price method.

The related parties comprise of associated companies, directors of the companies, key management personnel and staff retirement funds.

### Detail of transactions with related parties;

	Un-Audited September 30, 2020 Rupees	Audited June 30, 2020 Rupees
<b>Sales to related parties:</b>		
Diamond Tyres Limited	-	9,229,744

## 14 GENERAL

14.1 Figures have been rounded off to the nearest rupee.

14.2 This financial information was authorized for issue on 27th October, 2020 by the board of directors of the Company.

Chief Executive

Chief Financial Officer

Director