

DIAMOND INDUSTRIES LIMITED

CONTENTS

Corporate Profile	1
Directors' Report	2
ڈائریکٹرز رپورٹ	3
Review Report to the Members	4
Condensed Interim Statement of Financial Position	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Statement of Changes in Equity	8
Condensed Interim Statement of Cash Flows	9
Condensed Interim Notes to the Financial Information	10,11

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)</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 Associate

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 of Pakistan

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

DIAMOND INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of **Diamond Industries Ltd**, I feel pleasure to present before you half yearly un-audited accounts for the period July-2020 to December-2020 along with the Limited Scope Review of company's auditors.

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 current half year, the company has earned operating profit of Rs. 10.410 million as compared to Rs. 2.087 million of the preceding half year ended 31 December 2019. During the current half year, the company earned other operative income of Rs. 19.079 million which comprises the rental income, dividend income and income from sale of fixed asset of the company. Whereas due to deferred tax calculation, the Profit after taxation is Rs. 9.716 million as against profit after taxation of Rs. 0.355 million of the corresponding half year ended 31 December, 2019.

As regards disputed matters under litigation with Customs Authorities, FBR, SECP, Stock Exchanges & others, reported in annual financial statements of our company under the head of "Contingencies & Commitments", are being contested vigorously at its proper forums and there is no change in the status of these matters.

FUTURE OUTLOOK:

The management is continuously monitoring the macroeconomic environment of the country and will resume its core activities upon clearance of ECIB, availability of financing facilities and stability of economic situation. Directors are applying their untiring efforts to fully exploit the available opportunities in the market and best utilization of all available resources to continue as going concern.

EARNING PER SHARE:

The earnings per share of the company for the period under review are Rs. 1.08 as compared to Rs. 0.04 in the last corresponding half year ended December 31, 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



IMARN KABIR
Director



IFTIKHAR SHAFFI
Chief Executive

Lahore
Dated:- 24th February, 2021

DIAMOND INDUSTRIES LIMITED

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز: ڈائمنڈ انڈسٹریز لمیٹڈ کے ڈائریکٹرز 31 دسمبر کو ختم ہونے والی ششماہی کیلئے آپ کو غیر آڈٹ شدہ مالیاتی بیانات بمعہ آڈیٹر کے محدود جائزے کے پیش کرنے پر خوشی محسوس کرتے ہیں۔

مختصر مالیاتی جائزہ: مینجمنٹ اپنی کاروباری سرگرمیوں کو دوبارہ شروع کرنا چاہتی تھی مگر اسٹیٹ بینک کی ECIB رپورٹ کی نان کلیئرنس، کاہر میں اضافہ، یو ایس ڈالر کے مقابلے میں پاک روپے کی قدر میں تیزی سے کمی، کوڈ 19 وائرس کے اثرات، خام مال کے نرخ میں تیزی سے اضافہ اور بڑھتی ہوئی ورکنگ کپٹل کی ضروریات کے پیش نظر اسکی کاروباری سرگرمیوں کو دوبارہ شروع کرنا ممکن نہیں ہے۔


تاہم انتظامی نقصان / منافع پچھلے ششماہی 2.087 ملین روپے کے مقابلے میں 10.41 ملین رہا۔ اس ششماہی میں کمپنی نے فکسڈ اثاثوں کو بیچ کر اور کرائے اور ڈیولپمنٹ کی مدد میں 19.08 کمائے۔ جبکہ نفع / نقصان بعد از ٹیکس پچھلے ششماہی 0.355 ملین روپے کے مقابلے میں 9.716 ملین روپے رہا۔

کسٹمز آٹھارٹیز، ایف بی آر، ایس ای سی پی، اسٹاک ایکسچینج اور دیگر متنازع معاملات کا جن کی تفصیل سالانہ مالیاتی رپورٹ 30-06-2020 میں موجود ہے پراپورم پر بھرپور طریقے سے کمپنی مقابلہ کر رہی ہے اور ان کی نوعیت میں کوئی تبدیلی نہیں ہوئی ہے۔ مستقبل کا جائزہ: کمپنی ملک کے معاشی ماحول کا مسلسل جائزہ لے رہی ہے اور ECIB کی کلیئرنس، مالی سہولتوں کی فراہمی اور معاشی حالت کی بہتری پر اپنی 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 حصص شیئر: فی حصص آمدنی / (نقصان) 31 دسمبر 2020 میں پچھلی ششماہی 0.04 روپے فی حصص کے مقابلے میں 1.08 روپے فی حصص رہا۔

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

بورڈ کی طرف سے


افتخار شفیع
چیف ایگزیکٹو


عمران کبیر
ڈائریکٹر

لاہور

تاریخ: 24 فروری 2021

DIAMOND INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DIAMOND INDUSTRIES LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Diamond Industries Limited as at December 31, 2020 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the 'interim financial statements'). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2020.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, except for the fact that the company has prepared these financial statements on non-going concern basis that has appropriately been disclosed in note no. 4.2 to the financial statements, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Rashid Sarwar.

SARWAR'S
Chartered Accountants



Engagement Partner: Mr. Rashid Sarwar (FCA)

Dated: February 24, 2021

Place: Lahore

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Note	December 2020	June 2020
		Estimated	Estimated
		Realisable/ settlement value	Realisable/ settlement value
Authorized share capital			
12,000,000 Ordinary shares of Rs. 10/- each		120,000,000	120,000,000
Issued, subscribed and Paid Up Capital	6	90,000,000	90,000,000
Surplus on revaluation of fixed assets		152,570,966	164,436,215
Reserves		(25,474,753)	(61,678,463)
		217,096,213	192,757,751
Share Holders' Equity			
NON CURRENT LIABILITIES			
Due to related parties and others		137,297,971	137,297,971
Deferred liabilities		62,796,453	56,898,808
		200,094,424	194,196,779
CURRENT LIABILITIES			
Trade and other payables		11,704,999	12,377,515
Provision for taxation		767,663	2,160,939
		12,472,662	14,538,454
TOTAL EQUITY & LIABILITIES		429,663,299	401,492,985
ASSETS			
NON CURRENT ASSETS			
Investment Properties	8	186,794,832	199,294,832
Long Term Deposits		330,885	330,885
Investments Under equity Method	9	65,788,428	65,788,427
Investments available for sale		86,103,494	65,509,028
		339,017,639	330,923,173
CURRENT ASSETS			
Trade Debts		804,442	1,511,352
Loan and Advances		86,125,262	66,526,788
Cash and bank balances		3,715,956	2,531,672
		90,645,660	70,569,812
TOTAL ASSETS		429,663,299	401,492,985

Contingencies & Commitments

7

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



Chief Executive



Chief Financial Officer



Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT For The Half Year Ended December 31, 2020 (Un-Audited)

	Note	Half Year Ended		Quarter Ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		Rupees	Rupees	Rupees	Rupees
Sales - net		-	9,229,744	-	-
Cost of sales		-	(8,415,706)	-	-
Gross profit / (loss)		-	814,038	-	-
Distribution expenses		-	-	-	-
Administrative expenses		(8,668,539)	(15,119,210)	(4,585,434)	(7,049,625)
		(8,668,539)	(15,119,210)	(4,585,434)	(7,049,625)
		(8,668,539)	(14,305,172)	(4,585,434)	(7,049,625)
Other Operating income		19,079,372	16,392,853	13,760,980	4,500,000
Profit / (loss) from Operations		10,410,833	2,087,681	9,175,546	(2,549,625)
Finance Cost		(1,532)	(2,559)	(1,532)	504
Share of profit/(loss) of associated companies		-	-	-	-
Profit / (loss) before Taxation		10,409,301	2,085,122	9,174,014	(2,549,121)
TAXATION					
- Current		(767,663)	(3,124,949)	(524,005)	(1,083,331)
- Deferred Tax		74,751	1,395,376	3,047,083	697,688
		(692,912)	(1,729,573)	2,523,078	(385,643)
Profit / (Loss) after Taxation		9,716,389	355,549	11,697,092	(2,934,764)
Earning per Share		1.08	0.04	1.30	(0.33)

The annexed notes form an integral part of this financial information



Chief Executive



Chief Financial Officer



Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME For The Half Year Ended December 31, 2020 (Un-Audited)

	Half Year Ended		Quarter Ended	
	December 31, 2020 Rupees	December 31, 2019 Rupees	December 31, 2020 Rupees	December 31, 2019 Rupees
Profit / (Loss) for The Period	9,716,389	355,549	11,697,092	(2,934,764)
Other Comprehensive Income				
Unrealized gain / (loss) arising on remeasurement of available for sale investments -Net of deferred tax	14,622,072	3,078,623	12,301,049	757,600
Realized surplus on disposal-Net of deferred tax	(11,865,249)			
Impairment loss on long term investment	-		-	-
Total Comprehensive Income for The Period	<u>12,473,212</u>	<u>3,434,172</u>	<u>23,998,141</u>	<u>(2,177,164)</u>

The annexed notes form an integral part of this financial information



Chief Executive



Chief Financial Officer



Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY For The Half Year Ended December 31, 2020 (Un-Audited)

	Share Capital	Revaluation Surplus	RESERVES		TOTAL EQUITY
			CAPITAL	REVENUE	
			Fair value reserve	(Accumulated Loss)/ Unappropriated profit	
(Rupees)					
Balance as at 01 July 2019-Audited	90,000,000	138,921,630	19,213,466	(67,960,648)	180,174,448
Effect of items directly credited in equity by the associated companies					
Incremental depreciation on surplus on revaluation of property, plant & equipment		(3,376,339)		3,376,339	-
Profit / (Loss) for the half year ended				355,549	355,549
Other comprehensive income for the half year ended			-	3,078,623	3,078,623
Balance as at 31 December 2019- Unaudited	90,000,000	135,545,292	19,213,466	(61,150,137)	183,608,620
Balance as at 01 July 2020-Audited	90,000,000	164,436,215	22,500,718	(84,179,181)	192,757,752
Realization of surplus on disposal of fixed asset		(11,865,249)		11,865,249	-
Profit / (Loss) for the half year ended				9,716,389	9,716,389
Other comprehensive income for the half year ended				14,622,072	14,622,072
Balance as at 31 December 2020- Unaudited	90,000,000	152,570,966	22,500,718	(47,975,471)	217,096,213

The annexed notes form an integral part of this financial information



Chief Executive



Chief Financial Officer



Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT For The Half Year Ended December 31, 2020 (Un-Audited)

	December 31, 2020 Rupees	December 31, 2019 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	10,409,301	2,085,122
Adjustment for Non Cash and other items:		
Depreciation on property, plant and equipment	-	5,946,339
Finance cost	1,532	2,559
Dividend Income	(1,579,372)	-
Gain on Disposal Of Building	(8,500,000)	-
Cash Flow Before Working Capital Changes	<u>331,461</u>	<u>8,034,020</u>
Working Capital Changes		
(Increase)/Decrease in Current Assets		
Stock in Trade	-	8,415,706
Trade Debts	706,910	3,420,240
Loans and Advances	(38,012,112)	149,849
	<u>(37,305,202)</u>	<u>11,985,795</u>
Increase/(Decrease) in Current Liabilities		
Trade and Other Payables	(672,516)	(9,986,059)
Cash Inflow / (Outflow) From Operations	<u>(37,646,257)</u>	<u>10,033,756</u>
Income tax (paid)/Refund	16,252,699	(1,639,215)
Finance cost paid	(1,532)	(2,559)
Net Cash Inflow / (Outflow) From Operating Activities	<u>(21,395,090)</u>	<u>8,391,982</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	1,579,372	-
Proceeds From Sale Of building	21,000,000	-
Net Cash Generated from / (used in) Investing Activities	<u>22,579,372</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings	-	(4,192,011)
Net Cash Flow from Financing Activities	<u>-</u>	<u>(4,192,011)</u>
Net (Decrease) in Cash & Cash Equivalents	1,184,284	4,199,971
Cash & Cash Equivalents at Beginning of the Year	2,531,672	701,212
Cash & Cash Equivalents at End of the Period	<u>3,715,956</u>	<u>4,901,183</u>

The annexed notes form an integral part of this financial information



Chief Executive

9



Chief Financial Officer



Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION For The Half Year Ended December 31, 2020 (Un-Audited)

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated under the Companies Ordinance, 1984 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, Kyber 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.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34— 'Interim Financial Reporting,' and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2020. These condensed interim financial statements are unaudited.

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 BASIS OF PREPARATION

- 4.1 These financial statements have been prepared on fair value basis.
- 4.2 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. The Company in the year under audit declared a net profit after tax of Rs. 9.7 million after charging deferred tax income of Rs.74,751 for the year ended December 31, 2020. Further the cash flows of the company are not good enough to liquidate/discharge its liabilities in the present situation.

5 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.

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of shares			Un-Audited	Audited
December 31, 2020	June 30, 2020		December 31, 2020	June 30, 2020
			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>

7 CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies mentioned in Note no. 20 (DIL Vs Naseer Ahmad, First Capital ABN Amro Equities etc. Vs Iftikhar Shaffi, DIL Vs Arif Habib and Others, Aqeel Karim Dhedi Securities Vs. Iftikhar Shaffi etc., Muhammad Hanif Moosa Vs Iftikhar Shaffi, DIL Vs SECP and Others, DIL Vs Lahore Stock Exchange etc., LSE Vs Iftikhar Shaffi etc., Asim Motiwala Vs Lahore Stock Exchange etc. and Naem Anwar Vs. Iftikhar Shaffi etc.) of the annual financial statements of the company for the year ended June 30, 2020.

The management of the company is strongly and vigorously contesting all these cases and there is every likelihood that these cases will be decided in favour of the company soon.

DIAMOND INDUSTRIES LIMITED

8	INVESTMENT PROPERTIES	Un-Audited	Audited
		December 31, 2020	June 30, 2020
		Rupees	Rupees
	Fair value at the beginning of the period	199,294,832	199,353,283
	Add:		
	Cost of assets purchased	-	-
	Disposal of Property, Plant and Equipment	(12,500,000)	
	Fair value adjustment	-	(58,451)
		<u>186,794,832</u>	<u>199,294,832</u>

9	LONG TERM INVESTMENT		
	Investment in related parties: -under equity method		
	Diamond Polymers (Pvt.) Ltd	65,788,427	65,788,427
	Total	<u>65,788,427</u>	<u>65,788,427</u>

10	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;		
	Other Income		
	Diamond Tyres Limited	9,000,000	18,000,000

11 GENERAL

11.1 Figures have been rounded off to the nearest rupee.

11.2 This financial information was authorized for issue on 24 February, 2021 by the board of directors of the Company.



Chief Executive



Chief Financial Officer



Director