

DIAMOND INDUSTRIES LIMITED

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DIAMOND INDUSTRIES LIMITED

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)
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 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

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 March 31, 2021.

BRIEF REVIEW OF OPERATIONS:

As already reported in Directors' Report of the latest annual financial statements, that the company rented out its manufacturing facility with allied machinery to its associated concern M/s Diamond Tyres Limited, and there are no business activities. Meanwhile the company has settled all its liabilities towards Allied Bank Limited and thereafter revalued and re-classified its assets, the management is contemplating to revoke tenancy agreement and resume its core business activities.

However during the quarter under review, the company has earned operating profit / (Loss) of Rs. 11.600 million as compared to loss of Rs. (2.572) million of the preceding quarter. Whereas Profit / (Loss) after taxation is Rs. 10.702 million as against loss of Rs. (2.728) million of the corresponding quarter. 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 has been continuously monitoring the macroeconomic environment of the country and now intends to resume its core business manufacturing activities by applying all their untiring efforts to fully exploit the available opportunities in the market and best utilization of all available resources to continue as going concern and hopefully it will be more beneficial and be constructive to the interest of the shareholders of the company.

EARNING PER SHARE:

The earnings per share of the company for the period under review are Rs. 1.19 as compared to Rs. (0.30) in the last corresponding quarter ended 31st March, 2020.

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:- 28th April, 2021

DIAMOND INDUSTRIES LIMITED

ڈائریکٹرز رپورٹ

محترم شیئرز ہولڈرز: ڈائمنڈ انڈسٹری کے ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی ششماہی کیلئے آپ کو غیر آڈٹ شدہ مالیاتی بیانات پیش کرنے پر خوشی محسوس کرتے ہیں۔

مختصر مالیاتی جائزہ: جیسا کہ پچھلے مالیاتی بیانات کی ڈائریکٹرز رپورٹ میں بتایا گیا تھا کہ کمپنی نے اپنی پیداوار کی اشیاء بمعہ متعلقہ مشینری کے ڈائمنڈ ٹائرز کو کرایہ پر دے دی تھی اور کوئی بھی کاروباری سرگرمی نہیں کر رہی تھی۔ ساتھ ہی کمپنی نے الائیڈ بینک کے ساتھ اپنی تمام ذمہ داریاں ادا کر دی اور اپنے تمام اثاثوں کی دوبارہ قیمت لگوا کر ان کی دوبارہ درجہ بندی کی ہے۔ اب انتظامیہ غور کر رہی ہے کہ کرایہ داری کے معاہدے کو ختم کر کے اپنی بنیادی کاروباری سرگرمیاں دوبارہ شروع کرنے کی۔

تاہم اس ششماہی کمپنی نے پچھلی ششماہی کے (2.572) ملین نقصان کے مقابلہ 11.60 ملین منافع کمایا ہے۔ ٹیکس کے بعد اسی سے متعلق پچھلی ششماہی کے (2.728) ملین نقصان کے مقابلہ 10.702 ملین منافع کمایا ہے۔

کسٹمز آفٹھارٹیز، 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 پراپر فورم 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۔ کمپنی اپنے بنیادی کاروبار کو شروع کرنے کیلئے مارکیٹ میں موجود مواقعوں کو استعمال کرنے کی انتھک کوشش کر رہی ہے اور امید کی جاتی ہے کہ یہ شیئرز ہولڈرز کیلئے فائدہ مند ہوگا۔

فی حصص شیئر: فی حصص آمدنی (نقصان) 31 مارچ 2021 میں پچھلی ششماہی (0.3) روپے فی حصص کے مقابلہ میں 1.19 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: 28 اپریل 2021

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021 (UN-AUDITED)

	Note	March 2021	June 2020
		Estimated Realisable/ settlement value	Estimated 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		(31,184,264)	(61,678,463)
Share Holders' Equity		211,386,701	192,757,751
NON CURRENT LIABILITIES			
Due to related parties and others		137,297,971	137,297,971
Deferred liabilities		60,061,595	56,898,808
		197,359,566	194,196,779
CURRENT LIABILITIES			
Trade and other payables		11,769,501	12,377,515
Provision for taxation		971,014	2,160,939
		12,740,515	14,538,454
TOTAL EQUITY & LIABILITIES		421,486,783	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	65,788,427	65,788,427
Investments available for sale		76,672,954	65,509,028
		329,587,098	330,923,173
CURRENT ASSETS			
Trade Debts		804,442	1,511,352
Loan and Advances		87,506,618	66,526,788
Cash and bank balances		3,588,625	2,531,672
		91,899,685	70,569,812
TOTAL ASSETS		421,486,783	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 Nine Months Ended March 31, 2021 (Un-Audited)

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2021 Rupees	March 31, 2020 Rupees	March 31, 2021 Rupees	March 31, 2020 Rupees
Sales - net		-	9,229,744	-	-
Cost of sales		-	(8,415,706)	-	-
Gross profit / (loss)		-	814,038	-	-
Distribution expenses		-	-	-	-
Administrative expenses		(12,995,170)	(24,279,771)	(4,326,631)	(9,160,561)
		(12,995,170)	(24,279,771)	(4,326,631)	(9,160,561)
		(12,995,170)	(23,465,733)	(4,326,631)	(9,160,561)
Other Operating income		24,595,701	20,892,853	5,516,329	4,500,000
Profit / (loss) from Operations		11,600,531	(2,572,880)	1,189,698	(4,660,561)
Finance Cost		(1,705)	(2,559)	(173)	-
Share of profit/(loss) of associated companies		-	-	-	-
Profit / (loss) before Taxation		11,598,826	(2,575,439)	1,189,525	(4,660,561)
TAXATION					
- Current		(971,014)	(1,955,296)	(203,351)	1,169,653
- Deferred Tax		74,751	1,802,012	-	406,636
		(896,263)	(153,284)	(203,351)	1,576,289
Profit / (Loss) after Taxation		10,702,563	(2,728,723)	986,174	(3,084,272)
Earning per Share		1.19	(0.30)	0.11	(0.34)

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 Nine Months Ended March 31, 2021 (Un-Audited)

	Nine Months Ended		Quarter Ended	
	March 31,	March 31,	March 31,	March 31,
	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) for The Period	10,702,563	(2,728,723)	10,347,014	(3,084,272)
Other Comprehensive Income				
Unrealized gain / (loss) arising on remeasurement				
of available for sale investments	11,163,925	(10,366,460)	(3,458,147)	(13,445,083)
Deferred Tax on Raise on Unrealizable Gain	(3,237,538)			
Realization of revaluation surplus	(11,865,249)	-	-	-
Total Comprehensive Income for The Period	<u>6,763,701</u>	<u>(13,095,183)</u>	<u>6,888,867</u>	<u>(16,529,355)</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 Nine Months Ended March 31, 2021 (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		(5,064,511)		5,064,511	-
Profit / (Loss) for the nine months				(2,728,723)	(2,728,723)
Other comprehensive income for the nine months				(10,366,460)	(10,366,460)
Balance as at 31 March 2020- Unaudited	<u>90,000,000</u>	<u>133,857,119</u>	<u>19,213,466</u>	<u>(75,991,320)</u>	<u>167,079,265</u>
Balance as at 01 July 2020-Audited	90,000,000	164,436,215	22,500,718	(84,179,181)	192,757,752
Effect of items directly credited in equity by the associated companies					
Realization of surplus on disposal of fixed asset		(11,865,249)		11,865,249	-
Profit / (Loss) for the nine months				10,702,563	10,702,563
Other comprehensive income for the nine months				7,926,387	7,926,387
Balance as at 31 March 2021- Unaudited	<u>90,000,000</u>	<u>152,570,966</u>	<u>22,500,718</u>	<u>(53,684,983)</u>	<u>211,386,701</u>

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 Nine Months Ended March 31, 2021 (Un-Audited)

	March 31, 2021 Rupees	March 31, 2020 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	11,598,826	(2,575,439)
Adjustment for Non Cash and other items:		
Depreciation on property, plant and equipment	-	8,919,509
Share of loss of associated company	-	-
Provision for gratuity	-	-
Finance cost	1,705	2,559
Interest Income	-	-
Dividend Income	(2,595,701)	-
Disposal income	(8,500,000)	-
Cash Flow Before Working Capital Changes	<u>504,830</u>	<u>6,346,629</u>
Working Capital Changes		
(Increase)/Decrease in Current Assets		
Stock in Trade	-	8,415,706
Trade Debts	706,910	5,667,041
Loans and Advances	<u>(39,101,309)</u>	<u>(7,746,829)</u>
	(38,394,399)	6,335,918
Increase/(Decrease) in Current Liabilities		
Trade and Other Payables	<u>(608,014)</u>	<u>(7,955,821)</u>
Cash Inflow / (Outflow) From Operations	<u>(38,497,583)</u>	<u>4,726,726</u>
Income tax paid	15,960,540	(1,708,866)
Finance cost paid	(1,705)	(2,559)
Gratuity paid / adjusted	-	-
Net Cash Inflow / (Outflow) From Operating Activities	<u>(22,538,748)</u>	<u>3,015,301</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds	21,000,000	-
Dividend received	2,595,701	-
Net Cash Generated from /(used in) Investing Activities	<u>23,595,701</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings	-	-
Net Cash Flow from Financing Activities	<u>-</u>	<u>-</u>
Net (Decrease) in Cash & Cash Equivalents	1,056,953	3,015,301
Cash & Cash Equivalents at Beginning of the Year	2,531,672	701,212
Cash & Cash Equivalents at End of the Period	<u>3,588,625</u>	<u>3,716,513</u>

The annexed notes form an integral part of this financial information


Chief Executive

8


Chief Financial Officer


Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION For Nine Months Ended March 31, 2021 (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. 10,702,563 million after charging deferred tax income of Rs.74,751 for the year ended March 31, 2021. 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
March 31, 2020	June 30, 2020		March 31, 2021	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
9,000,000	9,000,000		90,000,000	90,000,000

7 CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies mentioned in Note no.12 (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 Naeem 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
		March 31, 2021	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;	Un-Audited	Audited
		March 31, 2021	June 30, 2020
		Rupees	Rupees
	Sales to related parties:		
	Other Income		
	Diamond Tyres Limited	13,500,000	18,000,000

11	GENERAL
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11.1 Figures have been rounded off to the nearest rupee.

11.2 This financial information was authorized for issue on 28 April, 2021 by the board of directors of the Company.


Chief Executive


Chief Financial Officer


Director