



DIAMOND

INDUSTRIES LIMITED

Annual Report 2026



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CORPORATE PROFILE

BOARD OF DIRECTORS

1. Mr. Iftikhar Shaffi	Chief Executive	(Executive)
2. Mr. Nazir Ahmad	Director	(Independent)
3. Mr. Imran Kabir	Director	(Independent)
4. Mrs. Seema Iftikhar	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

ZAHID JAMIL & CO Chartered Accountants
Office # 702, 7th Floor, Eden Heights, Main Jail Road, 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, 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 Tuesday 27th October, 2026 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:

Ordinary Business

1. To confirm the minutes of the last Extraordinary General Meeting held on 31st March, 2026.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30th June, 2026 together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the financial year ending June 30, 2027 and to fix their remuneration.
4. To consider any other transactions with the permission of the chair.
5. To approve the Final Dividend @10% (i.e. Rs. 10 per share) as recommended by the Board of Directors in addition to interim dividend of 10% i.e. Rs.1 per share already paid to the shareholders thus making a total of 20% i.e. Rs. 2 per share for the year ended June 30, 2026.

BY ORDER OF THE BOARD

ZAHOOR AHMAD
Company Secretary

Lahore: 06-10-2026

Notes:

1. The share transfer books of the Company will remain closed from October 20, 2026 to October 27, 2026 (both days inclusive). Transfers received office of the at the Company's Registrars, M/s CORPLINK (PVT) LTD, Wing Arcade, 1-K, Commercial Area, Model Town, Lahore by close of business on October 19, 2026, will be treated in time.
2. A member may appoint another member as his / her proxy to attend and vote on his/her behalf. Proxies in order to be effective must be receive at the office of the company duly stamped and signed not less than 48 hours before holding of meeting. Copy of CNIC of member and proxy must be furnished with the proxy form.
3. 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.
4. 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.
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/Dividend Mandate (bank account detail i.e. Name & Address of Bank and IBAN), are hereby once again requested to submit the same without further delay.



6. The shareholders intending to participate in the meeting via video link, are hereby requested to share the following information with the company secretary 10-days before the holding of Annual General Meeting.

Folio / CDC Account No.	Shareholder Name	Mobile No	Email address

The aforesaid information can be provided through the following modes:

- a) Mobile / WhatsApp : 0322-9001210
b) Email : zahoor.ahmad@diamondfoam.com

Video link details and login credentials (Zoom Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above 5 days before the date of the Annual General Meeting.

7. 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.

"I/We, _____ of _____, being a member of Diamond Industries Limited, holder of _____ ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____."

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

8. As per Section 72 of the Act, all listed companies are required to replace shares issued by them in physical form to book-entry form within four years of the promulgation of the Act. Accordingly, all shareholders of Diamond Industries Limited having physical folios / share certificates are requested to convert their shares into book-entry form at the earliest. Maintaining shares in book-entry form will make the process of share handling more efficient and risk free and will facilitate shareholders in the safe custody of shares. Shareholders may contact the Company or Share Registrar, M/s. Corplink (Pvt.) Ltd. 1-K Commercial, Model Town, Lahore, for the conversion of physical shares into book- entry form.
9. In accordance with Section 223 of the Companies Act 2017 and pursuant to the SRO 389(1)2023 of March 21, 2023 the audited financial statements of the company for the year ended June 30, 2026 together with Director's Report, Auditor's Report & the Chairman's Review Report thereon have been placed at the Company's website and can be accessed through following QR enabled code.



www.dil.com.pk/financial-report/

In addition to the above the printed copies of these financial statements can be provided to members upon request.



Chairman's Review Report

I am pleased to present, on behalf of the Board of Directors, the Chairman's Review Report of **Diamond Industries Limited** (the "Company") for the financial year ended June 30, 2026.

The financial year under review marks an important phase in the Company's journey towards the revival and expansion of its manufacturing operations. Following a prolonged period of operational challenges arising from adverse economic conditions, limited availability of raw materials, increased production costs and other business constraints, the Company has made significant progress towards restoring its business activities.

Revival of Manufacturing Operations

As previously communicated to the shareholders, the Company had suspended its commercial / manufacturing operations with effect from January 10, 2023, owing to prevailing economic conditions, non-availability of raw materials and increased cost of production.

During the year under review, the management took a number of strategic and operational measures to revive the Company's business. I am pleased to report that manufacturing operations at the Lahore Unit, situated at 58-Km Multan Road, Lahore, were successfully resumed with effect from January 1, 2026. The resumption of operations represents a significant milestone for the Company and reflects the management's continued commitment to restoring the Company's operating capacity and creating sustainable value for all stakeholders.

Business Performance

Following the revival of operations, the Company achieved encouraging results during the period. The Company generated sales revenue of more than Rs. 361 million during the quarter ended March 31, 2026. Furthermore, during the six months of revived business operations, the Company achieved sales revenue of approximately Rs. 686.871 million. The improved level of business activity demonstrates the potential of the Company's manufacturing and distribution infrastructure and provides a foundation for further growth.

The management remains focused on improving production efficiency, strengthening the Company's market presence, optimizing costs and enhancing operational performance.

Future Outlook

The management has made significant progress in reviving manufacturing operations at the Lahore Unit and remains committed to further expanding the Company's business activities. The Company is now focused on increasing production capacity, expanding its market share, improving operational efficiencies and strengthening its customer and distribution network. The management will continue to closely monitor market conditions, raw material availability, energy costs, production costs and demand trends and will take appropriate measures to ensure sustainable and efficient operations.



Appreciation

On behalf of the Board of Directors, I would like to express my sincere appreciation to our shareholders for their continued confidence and support during the Company's challenging period and throughout the process of business revival.

I also acknowledge the valuable contribution of the management team, employees, customers, suppliers, financial institutions and other stakeholders whose continued support has contributed to the Company's progress.

The Board remains confident that, through continued commitment, prudent management and effective utilization of available resources, the Company will be able to strengthen its operations and create sustainable value for its shareholders and other stakeholders.

Seema Iftikhar
Chairman



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, 2026.

Financial Highlights	2026	2025
	(Rs. in Millions)	
Sales (Net)	693.871	18.100
Gross Profit /(Loss)	62.939	(150.882)
Operating Expenses	(49.584)	(17.872)
Other Operating Income	30.347	15.369
Profit / (Loss) from Operation	43.701	(153.355)
Financial Cost	(0.038)	(0.0046)
Share of Profit/(Loss) of Associated Coys.	0.837	0.057
Profit / (Loss) before Taxation	44.500	(153.302)
Taxation / Levies	(6.236)	(0.458)
Profit / (Loss) after Taxation	38.264	(153.761)

Year in review:

In order to protect the interests of minority shareholders and to revive the Company's business operations, the Board of Directors decided to restart manufacturing operations by leasing factory premises along with plant and machinery in Lahore. After concerted efforts by the management, the Company successfully recommenced its manufacturing operations in January 2026. This material information was duly communicated to the Pakistan Stock Exchange Limited (PSX) through PUCARS on November 25, 2025. However, during the initial three months following the revival of business operations, the Company received an encouraging response from the foam market and its dealers. In view of the positive market response and the Company's improved operational outlook for the quarter ended March 31, 2026, the management declared an interim cash dividend of 10%, equivalent to Rs. 1/- per ordinary share, for its shareholders on April 27, 2026.

As the Company has also received full financial and operational support from its Directors, Sponsors and Associated Undertakings to facilitate the re-initiation of production, strengthen its operational capacity and regain its market share, the Company, during the six months of revived its business operations, achieved sales revenue of **Rs. 693.871 million** and gross profit of **Rs. 62.939 million**. After accounting for operating expenses of **Rs. (49.584) million** and other dividend income of **Rs. 30.347 million**, the Company achieved an operating profit of **Rs. 43.701 million**. After adjustment of financial costs of Rs. (0.038) million, share of profit of associated companies of Rs. 0.837 million and provision for Levies and taxation for Rs. (6.236) million, the Company achieved a net **profit after tax of Rs. 38.264 million**, as compared to a **net loss after tax of Rs. (153.761) million** reported during the corresponding period of the previous year.

The improved financial performance reflects the positive impact of the revival of manufacturing operations, improved market response and the continued support of the Company's Directors, Sponsors and Associated Undertakings. The management remains focused on consolidating the revival of operations, improving production and operational efficiencies, strengthening its dealer network and increasing the Company's market share with the objective of achieving sustainable profitability.

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. 4.25 as compared to Rs. (17.08) for the immediate receding year.

Pattern of shareholding:

Pattern of shareholding is annexed to this report.

Board meetings:

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

<u>S.no.</u>	<u>Name</u>	<u>Position</u>	<u>Attendance</u>
1.	Mr Iftikhar Shaffi	Chief Executive	04
2.	Mr Muhammad Sameer	Director	05
3.	Mrs. Seema Iftikhar	Director	05
4.	Mr Hashim Aslam Butt	Director	05
5.	Mr. Mohib Hussain	Director	05
6.	Mr. Imran Kabir	Director	05
7.	Mr. Nazir Ahmad	Director	05

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 has made significant progress in reviving the Company's manufacturing operations in Lahore. The Company successfully generated sales revenue exceeding **Rs. 693.871 million during the period ended June 30, 2026** reflecting an encouraging response from the market following the revival of its business operations. The management is encouraged by the continued market response and is focused on further expanding the Company's operations, strengthening its dealer network, increasing production capacity and enhancing its market share. The Company continues to receive



strong financial and operational support from its Directors, Sponsors and Associated Undertakings. This support is expected to facilitate the expansion of business operations, improve operational efficiencies and profit margins, and strengthen the Company's financial position.

Going forward, the management will remain focused on sustainable business growth, efficient utilization of available resources, enhancement of production and sales, and rebuilding the Company's market position. The Company is committed to creating sustainable value for all shareholders while continuing to safeguard the interests of minority shareholders in the near future.

Auditors:

The present auditors M/s Zahid Jamil & Co., 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 the name of M/s Zahid Jamil & Co., Chartered Accountants to be appointed as statutory auditors of the company for the next financial year ending June 30, 2027. The Board of Directors has endorsed these recommendations.

Corporate and financial reporting framework:

Diamond Industries Limited, is committed to maintaining high standards of corporate governance without any exception. The Directors are pleased to state that the company is compliant with the provisions of the Code of Corporate Governance as required by SECP and formed as part of stock exchange listing regulations. Statement of Compliance with Code of Corporate Governance is as under.

The Directors confirm that:

- a. The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flow and changes in equity.
- b. Proper books of accounts of the company have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- d. International Financial Reporting Standards, as applicable in Pakistan and the requirements of Companies Act, 2017 have been followed in preparation of the financial statements; and any departure thereof has been adequately disclosed and explained.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the company's ability to continue as a going concern
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations
- h. Statements regarding the following are annexed or disclosed in the notes to the accounts:
 - Key financial data for the last six years
 - Pattern of shareholdings
 - Number of Board meetings held during the year and attendance by each director

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
Lahore:- 2nd October, 2026

IMRAN KABIR
Director

ڈائریکٹرز کی رپورٹ

پیارے شیئر ہولڈرز،

ڈائمنڈ انڈسٹریز لمیٹڈ کے ڈائریکٹرز کو 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز کی رپورٹ کے ساتھ ڈائریکٹرز کی رپورٹ آپ کے سامنے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

2025	2026	مالیاتی جھلکیاں
(روپے بلین میں)	(روپے بلین میں)	
18.100	693.871	فروخت (نیٹ)
(150.882)	62.939	مجموعی منافع/ (نقصان)
(17.872)	(49.584)	آپریٹنگ اخراجات
15.369	30.347	دیگر آپریٹنگ انکم
(153.355)	43.701	آپریٹنگ سے منافع/ (نقصان)
(0.0046)	(0.038)	مالی لاگت
0.057	0.837	وابستہ Coys کے منافع/ (نقصان) کا حصہ۔
(153.302)	44.500	ٹیکس سے پہلے منافع/ (نقصان)
	(0.458)	ٹیکسیشن
(153.761)	38.264	ٹیکس کے بعد منافع/ (نقصان)

سال کا جائزہ:

اقلیتی حصص یافتگان کے مفادات کے تحفظ اور کمپنی کے کاروباری آپریشنز کو بحال کرنے کے لیے، بورڈ آف ڈائریکٹرز نے لاہور میں فیکٹری کی عمارت، پلانٹ اور مشینری کو لیز (کرائے) پر لے کر پیداواری سرگرمیاں دوبارہ شروع کرنے کا فیصلہ کیا۔ انتظامیہ کی بھرپور کوششوں کے بعد، کمپنی نے جنوری 2026 میں کامیابی کے ساتھ اپنی پیداواری سرگرمیاں دوبارہ شروع کر دیں۔ اس اہم معلومات سے 25 نومبر 2025 کو PUCARS کے ذریعے پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کو باقاعدہ آگاہ کر دیا گیا تھا۔ کاروباری سرگرمیوں کی بحالی کے بعد ابتدائی تین مہینوں کے دوران، کمپنی کو فوم مارکیٹ اور اپنے ڈیلرز کی جانب سے حوصلہ افزا ردعمل موصول ہوا۔ مارکیٹ کے مثبت ردعمل اور 31 مارچ 2026 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے بہتر آپریشنل امکانات کے پیش نظر، انتظامیہ نے 27 اپریل 2026 کو اپنے حصص یافتگان کے لیے 10 فیصد عبوری نقد منافع (interim cash dividend) کا اعلان کیا، جو کہ فی عام حصص 1 روپے کے برابر ہے۔

چونکہ کمپنی کو پیداوار دوبارہ شروع کرنے، اپنی آپریشنل صلاحیت کو مضبوط بنانے اور مارکیٹ میں اپنا حصہ دوبارہ حاصل کرنے کے لیے اپنے ڈائریکٹرز، اسپانسرز اور منسلک اداروں (Associated Undertakings) سے مکمل مالی اور آپریشنل تعاون بھی حاصل رہا، اس لیے کاروباری سرگرمیوں کی بحالی کے چھ ماہ کے دوران کمپنی نے 693.871 ملین روپے کی فروخت سے حاصل ہونے والی آمدنی اور 62.939 ملین روپے کا مجموعی منافع

(gross profit) حاصل کیا۔ 49.584 ملین روپے کے آپریشنل اخراجات اور 30.347 ملین روپے کی ڈیویڈنڈ سے حاصل ہونے والی دیگر آمدنی کا حساب کرنے کے بعد، کمپنی نے 43.701 ملین روپے کا آپریشنل منافع حاصل کیا۔ 0.038 ملین روپے کی مالیاتی لاگت، منسلک کمپنیوں کے منافع میں 0.837 ملین روپے کے حصے اور لیویز (محصولات) ٹیکس کے لیے 6.236 ملین روپے کی فراہمی (provision) کی ایڈجسٹمنٹ کے بعد، کمپنی نے ٹیکس کے بعد 38.264 ملین روپے کا خالص منافع حاصل کیا؛ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران ٹیکس کے بعد 153.761 ملین روپے کا خالص نقصان رپورٹ ہوا تھا۔

مالیاتی کارکردگی میں بہتری، مینوفیکچرنگ کے عمل کی بحالی، مارکیٹ کے بہتر رد عمل اور کمپنی کے ڈائریکٹرز، اسپانسرز اور منسلک اداروں کی مسلسل حمایت کے مثبت اثرات کی عکاس ہے۔ انتظامیہ کی توجہ آپریشنز کی بحالی کو مستحکم کرنے، پیداواری اور آپریشنل کارکردگی کو بہتر بنانے، ڈیلر نیٹ ورک کو مضبوط کرنے اور کمپنی کے مارکیٹ شیئر میں اضافے پر مرکوز ہے، جس کا مقصد پائیدار منافع کا حصول ہے۔

وژن اور مشن مالیاتی کارکردگی میں بہتری، مینوفیکچرنگ کے عمل کی بحالی، مارکیٹ کے بہتر رد عمل اور کمپنی کے ڈائریکٹرز، اسپانسرز اور منسلک اداروں کی مسلسل حمایت کے مثبت اثرات کی عکاس ہے۔ انتظامیہ کی توجہ آپریشنز کی بحالی کو مستحکم کرنے، پیداواری اور آپریشنل کارکردگی کو بہتر بنانے، ڈیلر نیٹ ورک کو مضبوط کرنے اور کمپنی کے مارکیٹ شیئر میں اضافے پر مرکوز ہے، جس کا مقصد پائیدار منافع کا حصول ہے۔

وژن اور مشن:

کمپنی کے وژن اور مشن کی عکاسی کرنے والا بیان رپورٹ کے ساتھ منسلک ہے۔

فی حصص آمدنی:

زیرِ جائزہ سال کے لیے فی حصص آمدنی 4.25 روپے ہے، جبکہ اس سے گزشتہ سال یہ (17.08) روپے تھی۔

حصص کی ملکیت کا نمونہ:

حصص کی ملکیت کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔

بورڈ کے اجلاس:

زیرِ جائزہ سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز (BOD) کے پانچ اجلاس منعقد ہوئے اور ان اجلاسوں میں ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

سیریل نمبر	نام	عہدہ	حاضری کی تعداد
(۱)۔	مسٹر افتخار شفیع	چیف ایگزیکٹو	04
(۲)۔	مسٹر محمد سمیر	ڈائریکٹر	05
(۳)۔	مسز سیما افتخار	ڈائریکٹر	05
(۴)۔	مسٹر ہاشم اسلم بٹ	ڈائریکٹر	05
(۵)۔	جناب محبت حسین	ڈائریکٹر	05
(۶)۔	جناب قیصر سلیم خان	ڈائریکٹر	05
(۷)۔	جناب عمران کبیر	ڈائریکٹر	05

بورڈ کی آڈٹ کمیٹی:

کمپنی کی بورڈ آڈٹ کمیٹی تشکیل دی گئی ہے جو ایک آزاد ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز (بشمول بورڈ آڈٹ کمیٹی کے چیئرمین) پر مشتمل ہے۔ آڈٹ کمیٹی کے اراکین کے نام اس سالانہ رپورٹ کے کارپوریٹ پروفائل میں شامل کیے گئے ہیں۔ زیر جائزہ سال کے دوران، 'کارپوریٹ گورننس کے ضوابط' (CCG) کی تعمیل میں سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں اور دیگر متعلقہ امور کا جائزہ لینے کے لیے کمیٹی کے پانچ اجلاس منعقد ہوئے۔ ان اجلاسوں میں ضرورت کے مطابق چیف فنانشل آفیسر (CFO)، ہیڈ آف انٹرنل آڈٹ اور بیرونی آڈیٹرز بھی شریک ہوئے۔

انسانی وسائل اور معاوضہ جات کی کمیٹی:

انسانی وسائل اور معاوضہ جات کی کمیٹی بھی تشکیل دی گئی ہے اور یہ ایک آزاد ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز (بشمول کمیٹی کے چیئرمین) پر مشتمل ہے۔ اس کمیٹی کے اراکین کے نام اس سالانہ رپورٹ کے کارپوریٹ پروفائل میں شامل کیے گئے ہیں۔ یہ کمیٹی کمپنی کے لیے درکار افرادی قوت اور ان کے معاوضوں کے معاملات کا جائزہ لیتی ہے، نیز حفاظتی اقدامات اور ماحولیاتی ذمہ داری کے امور کو باقاعدہ بناتی ہے۔ کمیٹی بورڈ کو انتظامی پالیسیوں، سی او او (COO)، سی ایف او (CFO)، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈیٹ کے معاوضے کے معاملات (بشمول ریٹائرمنٹ کے فوائد) اور ایسے تمام معاملات کا جائزہ لینے، ان پر غور کرنے اور منظوری دینے کی سفارش کرتی ہے جن کا تعلق کلیدی انتظامی عہدوں سے ہو اور جو براہ راست سی ای او (CEO) کو رپورٹ کرتے ہوں۔ کمیٹی ملازمین کے معاوضے اور بہبود کے تمام پہلوؤں کو یقینی بناتی ہے اور ضرورت پڑنے پر اپنے اجلاس منعقد کرتی ہے۔

ٹرانسفر پرائسنگ:

کمپنی نے اسٹاک ایکسچینجز کے لسٹنگ ضوابط میں درج ٹرانسفر پرائسنگ سے متعلق بہترین طریقوں کی مکمل پاسداری کی ہے۔

ضابطہ اخلاق:

ہمارا ضابطہ اخلاق دیانتداری، راست بازی، تندہی، سچائی اور وقار کے اصولوں پر مبنی مشترکہ اقدار کے ایک مجموعے پر استوار ہے۔

مستقبل کا منظر نامہ:

انتظامیہ نے لاہور میں کمپنی کی پیداواری سرگرمیوں کی بحالی میں نمایاں پیش رفت کی ہے۔ 30 جون 2026 کو ختم ہونے والی مدت کے دوران کمپنی نے 693.871 ملین روپے سے زائد کی فروخت سے آمدنی حاصل کی، جو کاروباری سرگرمیوں کی بحالی کے بعد مارکیٹ کی جانب سے حوصلہ افزا ردعمل کی عکاس ہے۔ انتظامیہ مارکیٹ کے اس مسلسل ردعمل سے پر عزم ہے اور کمپنی کی سرگرمیوں کو مزید وسعت دینے، ڈیلر نیٹ ورک کو مضبوط بنانے، پیداواری صلاحیت میں اضافے اور مارکیٹ شیئر بڑھانے پر توجہ مرکوز کیے ہوئے ہے۔ کمپنی کو اپنے ڈائریکٹرز، سپائسرز اور منسلک اداروں کی جانب سے مسلسل مضبوط مالی اور آپریشنل معاونت حاصل ہے۔ توقع ہے کہ یہ معاونت کاروباری سرگرمیوں کی توسیع، آپریشنل کارکردگی اور منافع کے مارجن میں بہتری، نیز کمپنی کی مالی پوزیشن کو مستحکم کرنے میں مددگار ثابت ہوگی۔

مستقبل میں، انتظامیہ کا مرکز توجہ کاروبار کی پائیدار ترقی، دستیاب وسائل کا مؤثر استعمال، پیداوار اور فروخت میں اضافہ، اور مارکیٹ میں کمپنی کی پوزیشن کو دوبارہ مستحکم کرنے پر رہے گا۔ کمپنی تمام شیئر ہولڈرز کے لیے پائیدار قدر (value) پیدا کرنے کے ساتھ ساتھ مستقبل قریب میں اقلیتی شیئر ہولڈرز کے مفادات کے تحفظ کے لیے بھی پر عزم ہے۔

آڈیٹرز:

موجودہ آڈیٹرز، میسرز اہد جمیل اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس)، کمپنی کے آئندہ سالانہ عام اجلاس (AGM) کے اختتام پر سبکدوش ہو رہے ہیں اور دوبارہ تقرری کے لیے خود کو پیش کرنے کے اہل ہیں۔ آڈٹ کمیٹی نے 30 جون 2027 کو ختم ہونے والے مالی سال کے لیے کمپنی کے قانونی آڈیٹرز (statutory auditors) کے طور پر میسرز اہد جمیل اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) کی تقرری کی سفارش بھی کی ہے۔ بورڈ آف ڈائریکٹرز نے ان سفارشات کی توثیق کر دی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

ڈائمنڈ انڈسٹریز لمیٹڈ کا رپورٹ گورننس کے اعلیٰ معیارات کو بلا استثناء برقرار رکھنے کے لیے پر عزم ہے۔ ڈائریکٹرز کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ کمپنی 'کوڈ آف کارپوریٹ گورننس' (Code of Corporate Governance) کی ان دفعات کی مکمل پاسداری کر رہی ہے جو SECP کی جانب سے مطلوب ہیں اور اسٹاک ایکسچینج کی لسٹنگ کے ضوابط کا حصہ ہیں۔ 'کوڈ آف کارپوریٹ گورننس' کی تعمیل کا بیان حسب ذیل ہے:

ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے امور کی صورتحال، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کی درست عکاسی کرتے ہیں۔
- کمپنی کے کھاتوں (accounts) کا ریکارڈ مناسب طریقے سے رکھا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔

ہیں۔

- d. مالیاتی گوشواروں کی تیاری میں 'انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز' (جو پاکستان میں قابل اطلاق ہیں) اور کمپنیز ایکٹ، 2017 کے تقاضوں کی پیروی کی گئی ہے؛ اور اگر ان سے کوئی انحراف کیا گیا ہے تو اس کی مناسب وضاحت اور انکشاف کیا گیا ہے۔
- e. اندرونی کنٹرول (internal control) کا نظام ڈیزائن کے اعتبار سے مستحکم ہے اور اس پر مؤثر طریقے سے عمل درآمد اور نگرانی کی گئی ہے۔
- f. کمپنی کی 'گوئیگ کنسرن' (going concern) کے طور پر کام جاری رکھنے کی صلاحیت کے بارے میں کوئی نمایاں شبہات موجود نہیں ہیں۔
- g. لسٹنگ کے ضوابط میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں (best practices) سے کوئی اہم انحراف نہیں کیا گیا ہے۔
- h. درج ذیل امور سے متعلق بیانات منسلک ہیں یا کھاتوں کے نوٹس (notes to the accounts) میں ظاہر کیے گئے ہیں:
- گزشتہ چھ سالوں کا اہم مالیاتی ڈیٹا
 - شیئر ہولڈنگ کا نمونہ (pattern of shareholdings)
 - سال کے دوران منعقدہ بورڈ اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری
- اظہار تشکر:
- بورڈ کی جانب سے اور میری طرف سے، تمام عملے کے ارکان اور انتظامی ٹیم کا ان کی مشترکہ کوششوں اور گراں قدر خدمات پر شکریہ ادا کیا جاتا ہے۔
- بورڈ کی جانب سے اور بورڈ کے لیے

لاہور: 2 اکتوبر، 2026



عمران کبیر
ڈائریکٹر



افتخار شفیع
چیف ایگزیکٹو



VISION / MISSION STATEMENT AND CORPORATE STRATEGY

Vision Statement

The Company's vision is to be a market leader as manufacturing organization, recognized for excellence in our products and services, responsible business practices, and long-term value creation for our shareholders and other stakeholders in the best possible manners with customer satisfaction as its premier goal.

Mission Statement

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 and services that meet the evolving needs of our customers through operational excellence, innovation, efficient utilization of resources and a commitment to ethical and responsible business practices. We are committed to developing our people, strengthening our market position and creating sustainable value for our shareholders and stakeholders.

Corporate strategy

To produce and market high quality products, consistently exceeding customer expectations, ensure right usage of company's resources, centered on sustainable business growth, operational efficiency, market expansion, financial strengthening, product quality, technology adoption, human resource development, effective risk management and strong corporate governance and to protect the interest of stakeholders.

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:- 30-06-2026

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 6
- b) Female 1

2. The composition of Board is as follows:

Category	Names
Executive Director	Mr. Iftikhar Shaffi
Independent Director	Mr. Nazir Ahmad Mr. Imran Kabir
Non-Executive Directors	Mr. Muhammad Sameer Mr. Hashim Aslam Butt Mr. Mohib Hussain
Female Director	Mrs. Seema Iftikhar

- 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. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company.
- 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 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 50 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. Chief Financial Officer 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 Sameer	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 Sameer	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 committees were duly been held as and when required but at least once of every quarter before approval of financial statements of the company. However the frequency of meetings (quarterly/half yearly/yearly) of the committees were as following:

- | | |
|--|----------------------|
| a) Board of Directors | 4-quarterly meetings |
| b) Board Audit Committee | 4-quarterly meetings |
| c) Board Human Resource and Remuneration Committee | 1-Annual Meeting |

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 and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that the partners of the firm involved in the audit are not a close relative (spouse, parents, dependent and non-dependent children) of the Chief Executive Officer, CFO, Head of Internal Audit, Company secretary or director of the company.

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 requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:



Sr. No	Non-Mandatory Requirement	Explanation	Reg. No.
1	Representation of Minority shareholders The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation	No one intended to contest election as director representing minority shareholder.	5
2	Responsibilities of the Board and its members: Adoption of the corporate governance practices	Non-mandatory provisions of the CCG Regulations are partially complied.	10(1)
3	Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Executive Committee.	29(1)
4	Risk Management Committee: The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and the company's Chief Internal Auditor, performs the requisite functions and apprises the board accordingly.	30(1)
5	Sustainability committee: As per requirements of the Code, the board should oversee the company's sustainability and Diversity equity and inclusion (DEM), adopting SECP's ESG Guidelines and ensuring policies for diversity and gender equality. They must manage sustainability risks including climate-related ones, and review performance regularly. A dedicated committee, including at least one female director should monitor these efforts, ensure compliance and report annually. The director's report should cover risk management and DE&I initiatives. However, the board has not constituted such a committee as required by the regulations.	The Board will review the matter and ensure compliance with the aforesaid regulations, including consideration of the constitution of a separate Sustainability Committee. Board has approved Gender Diversity Policy. Appropriate disclosures will be included in the Directors' Report regarding the assessment and management of sustainability related risks and the measures adopted to promote diversity, equity and inclusion within the Company.	10(a)

IFTIKHAR SHAFFI
Chief Executive

SEEMA IFTIKHAR
Chairman

IMRAN KABIR
Director



GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR 10 OF 2024

Following is gender pay gap calculated for the year ended June 30, 2026

- I. Mean Gender Pay Gap: Nil
- II. Median Gender Pay Gap: Nil
- III. Any other data/ details are deemed relevant.

On behalf of Board of Directors

NAZIR AHMAD
Director

Dated : October 02, 2026



INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Diamond Industries Limited

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 (the Company) for the year ended **June 30, 2026** 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 requires 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, 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 30 June 2026.

Place: Lahore
Date: October 03, 2026
UDIN: CR20251066hnsKt3IVS

ZAHID JAMIL & Co.
CHARTERED ACCOUNTANTS
(Engagement Partner: Adeel Anwar, ACA)



INDEPENDENT AUDITOR'S REPORT

To the members of DIAMOND INDUSTRIES LIMITED Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **DIAMOND INDUSTRIES LIMITED**, which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of 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 material policy information 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 purposes 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, the statement of profit or loss, the statement of 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, 2026 and of the Profit, other comprehensive Income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with 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. We have determined the matters below to be the key audit matters to be communicated in our report.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
Pending litigations As referred in note no. 10. to the accompanying financial statements, the Company faces a number of pending litigations. There is a high level of judgment required in estimating the level of provisioning and/or the level of disclosure required.	Our audit procedures included the following: - Circularized confirmations to relevant third-party legal representatives;



Where the impact of possible and present obligations is not probable or not reliably measurable, and thus no provision is recorded, failure to adequately disclose the nature of these circumstances within the financial statements may

distort the reader's view as to the potential risks faced by the Company.

Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgment, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.

Revenue recognition

As referred in note no. 20 to the accompanying financial statements, the Company has significant revenue in the current financial year, whereas it has generated very low revenue in the preceding fiscal year.

We identified the revenue recognition as a key audit matter as it is one of the Key Performance Indicators of the Company and gives rise to an inherent risk of material misstatement.

- Assessed management's processes to identify new possible obligations and changes in existing obligations for compliance with Company policy and IAS 37 requirements;
- analyzed significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied.
- Reviewed the subsequent position of pending litigations and
- assessed the adequacy of disclosures in note no. 11 to the financial statements.

Our audit procedures included the following:

- obtained an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of relevant key internal controls over recording of revenue.
- assessed the appropriateness of the Company's accounting policy for recording of revenue and its compliance with International Financial Reporting Standard - Revenue from contracts with customers (IFRS 15).
- reviewed a sample of contractual arrangements entered into by the Company with its customers and checking the performance obligations involved, transaction price and recognition of revenue based on satisfaction of performance obligation.
- assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting and reporting standard.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the annual report, but does 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 for 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 is 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 ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events



or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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 the 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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period 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 the audit resulting in this independent auditor's report is Adeel Anwar (ACA).


Zahid Jamil & Co.
Chartered Accountants
Place: Lahore
Date: October 02, 2026
UDIN: AR202610366CID90B3Uy



DIAMOND INDUSTRIES LIMITED

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DIAMOND INDUSTRIES LIMITED STATEMENT OF FINANCIAL POSITION As At June 30, 2026

	Note	2026	2025
		Rupees	
Authorized share capital			
40,000,000 Ordinary shares of Rs. 10/- each		400,000,000	400,000,000
Issued, subscribed and Paid-Up Capital	4	90,000,000	90,000,000
Surplus on revaluation of fixed assets	5	94,238,767	98,292,723
Capital reserves		369,281,266	177,027,245
Revenue reserves		(130,414,725)	(163,136,580)
Share Holders' Equity		423,105,308	202,183,388
LIABILITIES			
NON-CURRENT LIABILITIES			
Due to Related parties	6	137,540,000	137,297,971
Deferred liabilities	7	83,287,883	59,011,464
		220,827,883	196,309,435
CURRENT LIABILITIES			
Trade and other payables	8	104,289,104	41,114,598
Provision for taxation	9	53,940,598	40,777,415
		158,229,702	81,892,013
Contingencies & Commitments	10	-	-
TOTAL EQUITY & LIABILITIES		802,162,893	480,384,836
ASSETS			
NON-CURRENT ASSETS			
Property, Plant And Equipment	11	128,588,542	135,491,505
Long Term Deposits	12	330,885	330,885
Investments Under equity Method	13	67,546,415	66,708,799
Investments available for sale	14	462,581,748	236,400,547
		659,047,590	438,931,736
CURRENT ASSETS			
Stock in trade	15	49,969,239	-
Trade Debts	16	46,785,000	2,878,421
Other receivables	17	32,233,792	33,115,984
Advance Income Tax	18	6,717,158	3,120,812
Cash and bank balances	19	7,410,114	2,337,883
		143,115,303	41,453,100
TOTAL ASSETS		802,162,893	480,384,836

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 JUNE 30, 2026

	Note	2026 Rupees	2025
Sales - net	20	693,871,185	18,100,040
Cost of sales	21	(630,932,127)	(168,982,610)
Gross profit/ (loss)		62,939,058	(150,882,570)
Administrative expenses	22	(18,047,129)	(15,922,561)
Selling and distribution expenses	23	(25,983,008)	-
Other operating expenses	24	(5,554,751)	(1,920,010)
Other income	25	30,347,336	15,369,670
		(19,237,552)	(2,472,901)
Operating profit/ (loss)		43,701,506	(153,355,471)
Finance Cost	26	(38,761)	(4,690)
Share of profit of associated companies	13.2.2	837,616	57,622
Profit / (loss) before levies and income tax		44,500,361	(153,302,539)
Levies	27	(8,673,390)	(226,251)
Profit / (loss) before income tax		35,826,971	(153,528,790)
Income tax expense	28	2,437,102	(232,576)
Profit/ (loss) for the year		38,264,073	(153,761,366)
Earning / (loss) per Share	29	4.25	(17.08)

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 JUNE 30, 2026

	2026	2025
	Rupees	
Profit/ (loss) for the year	38,264,073	(153,761,366)
Other Comprehensive Income		
Items that cannot be reclassified to statement of profit or loss	-	-
Items that may be reclassified to statement of profit or loss		
Unrealized gain arising on remeasurement of investments available for sale	226,181,201	128,538,444
Related Deferred tax	(33,927,180)	(19,280,767)
	192,254,021	109,257,677
Total Comprehensive income/ (loss) for the year	230,518,094	(44,503,689)

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

Chief Executive

Chief Financial Officer

Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2026

	Share Capital	Surplus on Revaluation of Fixed Assets	RESERVES			TOTAL EQUITY
			CAPITAL	REVENUE		
				Fair value reserve	Accumulated Loss	
----- (Ru pees) -----						
Balance as at July 01, 2024	90,000,000	102,729,230	67,769,568	(13,811,723)		246,687,076
Loss for the year	-	-	-	(153,761,365)		(153,761,365)
Realization of Revaluation Surplus	-	(4,436,508)	-	4,436,508		-
Other comprehensive income for the year	-	-	109,257,677	-		109,257,677
Balance as at June 30, 2025	90,000,000	98,292,723	177,027,245	(163,136,580)		202,183,388
Balance as at July 01, 2025	90,000,000	98,292,723	177,027,245	(163,136,580)		202,183,388
Profit for the year	-	-	-	38,264,073		38,264,073
Dividend paid	-	-	-	(9,596,174)		(9,596,174)
Realization of Revaluation Surplus	-	(4,053,956)	-	4,053,956		-
Other comprehensive income for the year	-	-	192,254,021	-		192,254,021
Balance as at June 30, 2026	90,000,000	94,238,767	369,281,266	(130,414,725)		423,105,308



Chief Executive



Chief Financial Officer



Director



DIAMOND INDUSTRIES LIMITED

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DIAMOND INDUSTRIES LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026	June 30, 2025
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before levies and income tax	44,500,361	(153,302,539)
Adjustment for:		
Depreciation on property, plant and equipment	6,902,963	7,562,388
Share of profit of associated company	(837,616)	(57,622)
Finance cost	4,350	4,690
Interest on provident fund	34,411	-
Dividend Income	(29,931,950)	(15,369,422)
Cash flow before working capital changes	20,672,519	(161,162,505)
Changes in working capital		
(Increase) / decrease in Current Assets		
Stock in Trade	(49,969,239)	168,982,610
Trade Debts	(43,906,579)	(2,878,421)
Other receivables	882,192	2,039,832
	(92,993,626)	168,144,021
Increase/(Decrease) in Current Liabilities		
Trade and Other Payables	63,174,506	(22,756,748)
Cash used in Operations	(9,146,601)	(15,775,232)
Income tax paid	(6,320,212)	(167,097)
Dividend paid	(9,596,174)	-
Finance cost paid	(38,761)	(4,690)
Net cash used in operating activities	(25,101,748)	(15,947,019)
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	29,931,950	15,369,422
Net Cash Generated from Investing Activities	29,931,950	15,369,422
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from sponsors	242,029	-
Net Cash generated from financing activities	242,029	-
Net Increase / (decrease) in cash and cash equivalents	5,072,231	(577,595)
Cash and Cash equivalents at beginning of the year	2,337,883	2,915,478
Cash and cash equivalents at end of the year	7,410,114	2,337,883

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

Chief Executive

Chief Financial Officer

Director



DIAMOND INDUSTRIES LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1-STATUS AND NATURE OF BUSINESS

The company was incorporated under the Companies Ordinance, 1984 (Now Companies Act, 2017) 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 Pakistan Stock Exchange. The principal activity of the Company 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. This Mill is located at Plot # 25, Gadoon Amazai Industrial Estate, Swabi, Khyber Pakhtoonkhwa.

SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS

2- Basis of Preparation

These financial statements have been prepared under historical cost convention modified by application of following:

2.1 Basis of measurement

These financial statements have been prepared on the basis of "historical cost" convention except certain property, plant and equipment items carried at revaluation and employee retirement benefits carried at present value. Moreover, these financial statements have been prepared on accrual basis except for statement of cash flows.

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
- Provisions of and directives issued under the Companies Act, 2017.

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

2.3- Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs./Rupees) which is the Company's functional currency.

2.4- Adoption of standards, amendments and framework effective during the year.

There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 01, 2024. However, these amendments do not have any significant impact on the Company's financial statements.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

- IAS 7 (Amendments) 'Statement of Cash Flows' and IFRS 7 'Financial Instruments Disclosures';
- IFRS 16 (Amendments) 'Lease Liability in a Sale and Leaseback';

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements



Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified or has been waived off 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)
- IFRIC 12 (Service concession arrangements)

3. Summary of Significant Accounting Policies

3.1- Financial instruments

Financial instruments are carried on the statement of financial position 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.

Off-setting of financial assets and financial liabilities

A financial asset and financial liability are off set and the net amount reported in the statement of financial position, 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.

3.1.1 - 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 De-recognition

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 effective interest rate method. Any gain or loss arising on de-recognition 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 de-recognition 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

3.1.2 - 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, are 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, 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.

3.1.3 - 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 difficulty, 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 difficulties.

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; and
- 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;
- Nature, size and industry of debtors; and
- External credit ratings where available.



The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

Non-Financial Asset

Assets that have an indefinite useful life are not subject to depreciation/amortization and are tested annually for impairment. Assets that are subject to depreciation/amortization are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in statement of profit or loss.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

3.2 - Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax laws and the decisions of appellate authorities on certain issues invoking legal cases in the past relevant the Company.

3.3 - Provision for doubtful debts

The Company reviews its receivables against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

3.4 - Contingencies

The Company has disclosed significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts



of the liabilities recognized at the statement of financial position. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the statement of financial position.

3.5 - Liabilities

The liabilities are accounted for on accrual basis, unless stated otherwise.

3.6 - 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 assets, 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 statement of profit or loss 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 statement of financial position.

Gain / loss on disposal of fixed assets, if any, is taken to statement of profit or loss 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 statement of profit or loss 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

Property, plant and equipment, except freehold land, are stated at cost/revaluation less accumulated depreciation and impairment in value, if any. Freehold land is stated at revalued amount less accumulated impairment in value, if any.

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

A revaluation surplus is recorded in other comprehensive income (OCI) and presented as a separate part of equity. However, the increase is recorded in the statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognized in the statement of profit or loss, however, a decrease is recorded in statement of other comprehensive income to the extent of any credit balance in revaluation surplus in respect of same assets. The revaluation reserve is not available for distribution to the Company's shareholders.

Depreciation on property, plant and equipment in respect of additions and disposal during the year is charged from the date of acquisition or capitalization and up to the date preceding the day of disposal respectively. Depreciation is charged to statement of profit or loss applying the reducing balance method.

Residual value and useful life of assets are reviewed at each financial year end and if expectations differ from previous estimates, the change is accounted for as change in accounting estimate in accordance with IAS-8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Surplus on revaluation of property, plant and equipment

Surplus arising on acquisition being the difference between fair value of the assets acquired and the consideration paid is recognized as income over the remaining useful life of the assets acquired. Increase



in carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity.

To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same assets are first recognized in other comprehensive income to the extent of remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Differences between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property plant and equipment to unappropriated profit.

3.7 – Leases

Right of Use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated using straight line method over the lease term. Right-of-use assets are subject to impairment.

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 statement of profit or loss. The Company charges the depreciation on 'Days' basis.

Lease Obligations

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The right-of-use assets are presented as a separate line item in the statement of financial position as on the reporting date.

3.8 - 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.



3.9 - 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 statement of financial position 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. The Company immediately recognizes all past service costs and replaces 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 statement of profit or loss.

Employees' compensated absences

The Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences.

3.10- 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 statement of profit or loss 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 method 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 statement of profit or loss. Investments that are actively traded in organized capital markets, their fair value is determined by reference to stock exchange quoted market bids at the close of business on the statement of financial position. 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.

3.11 - Stock in Trade

These are valued at lower of cost and net realizable value less impairment loss, if any, except for goods in transit. The basis of cost valuations are as follows:

Particulars	Mode of Valuation
Raw material	calculated on weighted average basis
Work-in-process	at weighted average manufacturing cost
Finished goods	At lower of cost and net realizable value
Waste	at realizable value

Cost in relation to work-in-process and finished goods represents average manufacturing cost which consists of prime cost and proportion of manufacturing overheads based on normal capacity.

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon up to the date of statement of financial position.

Provision is made in the financial statements against slow moving and obsolete stock-in-trade, based on management's best estimate regarding their future usability whenever necessary, and is recognized in the statement of profit or loss. Net realizable value signifies selling price in ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

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 statement of profit or loss. Value of items is reviewed at each statement of financial position to record the provision for slow moving, damaged and obsolete items.

3.12 - Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks in current, savings and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.13- 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, 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.

3.14- Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on accrual basis.

3.15- 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, 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.

3.16- Foreign currencies

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

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

3.17- Revenue recognition

The Company follows IFRS 15 which 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 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 returning 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.
- Dividends are 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.

3.18 - Trade debts and other Receivables

Trade debts are initially measured at their transaction price under IFRS 15 and subsequently measured at amortized cost less any allowance for expected credit losses (ECL).

3.19 - Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

3.20 - Related party transaction

All transactions between Company and related parties are accounted for as an independent business in accordance with mutually agreed terms and conditions until unless disclosed specifically and are accounted for and disclosed in the financial statements accordingly. 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.

The accounting methods adopted for various types of transactions and balances with related parties are as follows:

a) Sale of goods and services

Revenue from sale of goods and services to related parties is recognized in accordance with the revenue recognition policy of the Company for such transactions.

Receivables against sale of goods outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

b) Purchase of Goods and Services

Purchases of goods from related parties are recognized at actual cost to the Company.

Payables against purchases from related parties outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

c) Dividend Distribution

Distribution to related parties having shareholding in the Company is recognized in accordance with the accounting policy of the Company for dividend distribution to ordinary shareholders.



3.21- Taxation

Current

The charge for current tax is based on the taxable income at the current rate of taxation, after taking into account applicable tax credit, rebates and exemptions available, including income covered under final tax regime. The charge for current tax also includes prior year adjustments, where considered, arising due to assessments finalized during the 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 differences 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. Deferred tax assets and liabilities are offset if certain criteria are met.

3.22- Segment reporting

A segment is a distinguishable component within the Company that is engaged in providing products and is under a common control environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment 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, and management has distinguished its business into main division called "foam products division"; therefore, no segmentation has been provided as per the relevant provisions of IFRS 08 and requirements of Companies, Act, 2017.

No segmentation is required for PVA plant because of closure of operational activities.

3.23- 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.



3.24- 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 statement of profit or loss, 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 number 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 statement of profit or loss.

3.25- Earning Per Share

The Company calculates both basic and diluted earnings per share in accordance with IAS 33 "Earnings per Share". Under IAS 33, basic EPS is computed using weighted average number of shares outstanding during the year.

Diluted EPS is computed using weighted average number of shares outstanding plus dilutive effect of stock options outstanding during the year.

3.26- Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders.

The total comprehensive income comprises of all the components of profit or loss and other comprehensive income.

Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards, and is presented in 'statement of other comprehensive income'.

3.27- Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

3.28- Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom be equal to the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgments are:



- a) Estimated useful life of property, plant and equipment - Note 4.6 and 12
- b) Provision for slow moving inventories - Note 4.11 and 16
- c) Estimation of current and deferred tax - Note 4.21 and 25
- d) Fair Value Measurement - Note 4.1 and 15

3.29- Government Grants

The Company recognizes the benefit of a government loan at below market rate of interest as a Government grant. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received and is presented as deferred grant. The recognition of government grants in profit or loss is done on a systematic basis over the period of the loan.

3.30- Bonus Shares

Reserve for issue of bonus shares is created in the year in which such an issue is approved.



4 ISSUED, SUBSCRIBED & PAID UP CAPITAL

2026	2025		2026	2025
Number of shares			Rupees	
6,000,000	6,000,000	Ordinary shares of Rs.10 /- each fully paid up 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	Total at the year end	90,000,000	90,000,000

4.1 The Company has only one class of ordinary shares which carry no right to fixed income.

4.2 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.

Company Name	Relationship	2026	2025
		No. of Shares	
Shaffi Chemical Industries Limited	Associated Company		1,422,450
Capital Industrial Enterprises (Pvt) Limited	Related party	2,077,383	1,076,383
Diamond products (Pvt) Limited	Related party	150,000	150,000
Capital Industries (Pvt) Limited	Related party	12,000	12,000

5 SURPLUS ON REVALUATION OF FIXED ASSETS

The latest Revaluation/ Fair Value was carried out by independent valuers M/s PROTECTORS on 1st May 2021 when investment property was transferred back to "own assets" of Diamond industries Limited from Diamond Tyres Limited. The valuation resulted in no material difference.

Fair Value determined by independent valuers M/s PROTECTORS on year end June 30, 2020 resulted in no material difference.

The fair value exercise carried out at the year end has resulted in no material difference from the earlier revaluation carried out by M/s PROTECTORS on July 02, 2019. The revaluation carried out 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

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.

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.



5.1 SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT

	<u>Freehold land</u>	<u>Buildings on freehold land</u>	<u>plant and machinery</u>	<u>Aggregate</u>
	-----Rupees-----			
2026				
As at 30 jun 2026				
Revaluation surplus				
At beginning of the year	46,144,148	32,701,426	40,747,270	199,592,845
Add: during the year	-	-	-	-
Less: transfer of Revaluation surplus on disposal	-	-	-	-
Less: transfer of Incremental depreciation	-	(1,635,071)	(4,074,725)	(5,709,795)
At end of the year	46,144,148	31,066,355	36,672,544	113,883,048
Related deferred tax liabilities				
At beginning of the year	-	9,483,414	11,816,708	21,300,122
Transfer of Revaluation surplus on disposal	-	-	-	-
Incremental depreciation charged during the year	-	(474,171)	(1,181,671)	(1,655,841)
At end of the year	-	9,009,243	10,635,037	19,644,281
At end of the year (net)	<u>46,144,148</u>	<u>22,057,122</u>	<u>26,037,507</u>	<u>94,238,767</u>
2025				
As at 30 jun 2025				
Revaluation surplus				
At beginning of the year	46,144,148	34,422,554	45,274,745	125,841,447
Add: during the year	-	-	-	-
Less: transfer of Revaluation surplus on disposal	-	-	-	-
Less: transfer of incremental depreciation	-	(1,721,128)	(4,527,475)	(6,248,602)
At end of the year	46,144,148	32,701,426	40,747,270	119,592,845
Related deferred tax liabilities				
At beginning of the year	-	9,982,541	13,129,676	23,112,217
Transfer of Revaluation surplus on disposal	-	-	-	-
Incremental depreciation charged during the year	-	(499,127)	(1,312,968)	(1,812,095)
At end of the year	-	9,483,414	11,816,708	21,300,122
At end of the year (net)	<u>46,144,148</u>	<u>23,218,012</u>	<u>28,930,562</u>	<u>98,262,723</u>

	Note	2026	2025
		Rupees	
6 DUE TO RELATED PARTIES			
Due to sponsors and associates	6.1	137,540,000	137,297,971
6.1	This amount is due to Sponsors against arrangements made earlier to settle the liability of Allied Bank Limited in previous years. No terms and conditions / repayment schedule has been defined as at the reporting date and is payable at the discretion of the Company. No provision has been made for any mark-up.		
7 DEFERRED LIABILITIES		2026	2025
		Rupees	
Deferred Taxation	7.1	83,287,883	59,011,464
7.1 Deferred Taxation			
Deferred Tax Liability on Taxable temporary differences			
Accelerated Tax Depreciation		1,946,619	2,009,235
Revaluation surplus		19,644,281	21,300,122
Investments Under equity Method		4,931,164	4,688,256
Investments available for sale		65,351,708	31,240,102
		91,873,772	59,237,715
Deferred Tax Asset on Deductable temporary differences			
Minimum Tax		(8,585,890)	(226,251)
Deferred Tax Liability		83,287,882	59,011,464



7.1.1 Deferred Taxation Reconciliation

As at June 30, 2026

	Opening Balance	Profit or Loss	Other Comprehensive Income	Closing Balance
Accelerated Tax Depreciation	2,009,235	(62,616)	-	1,946,619
Revaluation surplus	21,300,122	(1,655,841)	-	19,644,281
Investments Under equity Method	4,688,256	242,908	-	4,931,164
Investments available for sale	31,240,102	-	34,111,606	65,351,708
Minimum Tax	(226,251)	(8,359,639)	-	(8,585,890)
As at June 30, 2026	59,011,464	(9,835,188)	34,111,606	83,287,882

As at June 30, 2025

	Opening Balance	Profit or Loss	Other Comprehensive Income	Closing Balance
Accelerated Tax Depreciation	2,060,437	(51,202)	-	2,009,235
Revaluation surplus	23,112,217	(1,812,096)	-	21,300,122
Investments Under equity Method	4,671,545	16,711	-	4,688,256
Investments available for sale	11,959,336	-	19,280,767	31,240,102
Minimum Tax	-	(226,251)	-	(226,251)
As at June 30, 2025	41,803,535	(2,072,837)	19,280,767	59,011,464

7.1.2 Other provisions have been realized/adjusted during the year.

7.1.3 No deferred tax reconciliation to normal tax has been provided as the Company is charged to minimum tax.

7.1.4 The Company has recognized deferred tax asset on minimum tax to the extent of its reversibility in future periods.

8 TRADE AND OTHER PAYABLES

Note

2026 2025

Rupees

Trade Creditors		91,357,757	39,894,635
Accrued Liabilities		6,640,018	934,632
Tax Deducted Payable		1,511,538	-
Workers' profit participation fund	8.1	2,388,048	-
Workers' welfare fund	8.2	872,556	-
Provident Fund	8.3	1,519,187	285,331
		104,289,104	41,114,598

8.1 Workers Profit Participation Fund Payable

At beginning of the year	-	-
Charge for the year	2,388,048	-
	2,388,048	
Paid during the year	-	-
At end of the year	2,388,048	-

8.2 Workers Welfare fund payable

At beginning of the year	-	-
Charge for the year	872,556	-
	872,556	-
Paid during the year	-	-
At end of the year	872,556	-

8.3 Provident Fund

At beginning of the year	285,331	-
Charge for the year	1,199,445	-
Markup for the year	34,411	-
	1,519,187	-
Paid during the year	-	-
At end of the year	1,519,187	-



9 PROVISION FOR TAXATION

Opening Balance	40,777,415	38,245,751
Current Tax	8,673,390	226,251
Income Tax on dividend	4,489,793	2,305,413
	<u>53,940,598</u>	<u>40,777,415</u>

10 CONTINGENCIES AND COMMITMENTS

10.1 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) Limited 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. 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 (Private) Limited filed a suit for Recovery amounting to Rs.80,297,282/- against Mr. Iftikhar Shaffi and others including this Company which is still pending adjudication.

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, which is still pending before the Court.

10.2 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 Honorable Lahore High Court, vide its order dated 17.06.2026, dismissed this appeal. Now the Company is in the process of assailing the impugned order before the Honorable Supreme Court of Pakistan. The case is still pending before the Court.

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 Honorable Lahore High Court, vide its order dated 17.06.2026, dismissed this civil revision. Now the Company is in the process of assailing the impugned order before the Honorable Supreme Court of Pakistan.

10.3 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 conducted in the said cases. The Civil Judge passed an order dated 13-9-2013 refusing an application by Mr. Iftikhar Shafi to summon certain witnesses; the order was challenged in the Lahore High Court through Civil Revision No. 2928/2014, which was allowed, and the case is now fixed for further proceedings before the Civil Court.



10.4 IV - ATIR PESHAWAR

The following tax references are pending before the Honorable Peshawar High Court, Peshawar.

- CIR Vs Diamond Industries Limited (STR No. 11/2018)
- CIR Vs Diamond Industries Limited (STR No. 11/2022)
- CIR Vs Diamond Industries Limited (STR No. 12/2022)
- CIR Vs Diamond Industries Limited (STR No. 15/2022)
- CIR Vs Diamond Industries Limited (STR No. 26/2023)

10.5 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 attract 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.

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

10.6 There are no other material contingencies other than the disclosed above.

10.7 Commitments

There are no commitments as at the reporting date (2025: NIL).

11 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

11.1

2026

2025

Rupees

128,588,542

135,491,505

11.1 Operating fixed assets

Description	Freehold Land	Building	Plant and Machinery	Office Equipment	Furniture and fixtures	Vehicles	Total
As at July 01, 2024							
Cost	47,757,763	46,517,587	90,000,000	7,562,169	4,097,033	1,333,324	197,267,876
Accumulated depreciation	-	(6,966,929)	(36,855,900)	(5,224,386)	(3,936,517)	(1,230,252)	(54,213,984)
Net book value	47,757,763	39,550,658	53,144,100	2,337,783	160,516	103,072	143,053,892
Year ended June 30, 2025							
Net book value at July 01, 2024	47,757,763	39,550,658	53,144,100	2,337,783	160,516	103,072	143,053,892
Additions during the year	-	-	-	-	-	-	-
Disposal / Write offs							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Depreciation charge	-	(1,977,533)	(5,314,410)	(233,778)	(16,052)	(20,614)	(7,562,388)
Net book value	47,757,763	37,573,125	47,829,690	2,104,004	144,465	82,458	135,491,504
As at July 01, 2025							
Cost	47,757,763	46,517,587	90,000,000	7,562,169	4,097,033	1,333,324	197,267,876
Accumulated depreciation	-	(8,944,462)	(42,170,310)	(5,458,165)	(3,952,568)	(1,250,866)	(61,776,371)
Net book value	47,757,763	37,573,125	47,829,690	2,104,004	144,465	82,458	135,491,505
Year ended June 30, 2026							
Net book value at July 01, 2025	47,757,763	37,573,125	47,829,690	2,104,004	144,465	82,458	135,491,505
Additions during the year	-	-	-	-	-	-	-
Disposal / Write offs							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Depreciation charge	-	(1,878,656)	(4,782,969)	(210,400)	(14,446)	(16,492)	(6,902,963)
Net book value as at June 30, 2026	47,757,763	35,694,469	43,046,721	1,893,604	130,019	65,966	128,588,542
Annual rate of depreciation	0%	5%	10%	10%	10%	20%	



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	Note	2026 Rupees	2025
11.2	The depreciation has been allocated as follows:		
Cost of sales	21	4,141,778	-
Administrative expenses	22	2,761,185	7,562,388
		<u>6,902,963</u>	<u>7,562,388</u>

12 LONG TERM DEPOSITS

Security Deposits	12.1	<u>330,885</u>	<u>330,885</u>
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12.1 Security Deposits

Utilities		101,494	101,494
CDC		25,000	25,000
Others		204,391	204,391
		<u>330,885</u>	<u>330,885</u>

- 12.2** These have been given to CDC and Utility Companies. These are measured at Amortized Cost under Revised IFRS which are required to be carried at amortized cost. However these being held for an indefinite period with no fixed maturity date, are carried at their cost as amortized cost is impracticable to determine.

	Note	2026 Rupees	2025
13	INVESTMENT UNDER EQUITY METHOD		
Shaffi Chemical Industries Limited - Associated Company	13.1	-	-
Diamond Polymers (Private) Limited - Unquoted	13.2	67,546,415	66,708,799
		<u>67,546,415</u>	<u>66,708,799</u>

13.1 Shaffi Chemical Industries Limited - Associated Company

3,754,240 (2025 : 3,754,240) ordinary shares of Rupees 10 each
Equity held 31.285% (2025 : 31.285%)

-	-
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13.1.1 Reconciliation

Share in net assets at the beginning of the year

- -

Add: Share of income after income tax

312,096 312,096

Share of other comprehensive income

56,929 56,929

Not to be recognized in statement of profit or loss

(369,025) (369,025)

Carrying value of investment at the year end

- -

- 13.1.2** The Company has impaired the carrying value of investment due to continuous losses in associated company Shaffi Chemical Industries Ltd., which is non-operational. Currently, there was no substantial shares trading transactions during the year.

13.2 Diamond polymers - Associated Company

1,300,000 (2025 : 1,300,000) ordinary shares of Rupees 10/- each
Equity held 43.33% (2025 : 43.33%)

13.2.1	<u>67,546,415</u>	<u>66,708,799</u>
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13.2.1 Reconciliation

Share in net assets at the beginning of the year

66,708,799 66,651,177



Add: Share of profit after income tax
Share of other comprehensive income

13.2.2

Carrying value of investment at the year end

820,332	40,338
17,284	17,284
837,616	57,622
67,546,415	66,708,799

13.2.2 This value is based on management accounts of the associated company.

Percentage of investment holding is 43.33%.

The Company has accounted for this investment as per the relevant provisions of IFRS 9.

The Company has also fulfilled the relevant requirements of Companies Act, 2017 regarding investment in associated companies.

The Company has elected an irrevocable option to classify gain/loss on equity instruments through OCI. Furthermore, the said amount is long term investment and Company does not intend to liquidate or hold it for trading purposes. Any dividend income would be classified in statement of profit or loss.

	2026	2025
	Rupees	
14 INVESTMENT AVAILABLE FOR SALE		
Opening Balance on July 01, 2025	236,400,547	107,862,104
Fair Value Gain - OCI	226,181,201	128,538,444
Investment available for sale	462,581,748	236,400,547
15 STOCK IN TRADE		
Raw Material	2,581,040	-
Work in process and finished goods	47,388,199	-
	49,969,239	-

15.1 The Company has carried out NRV test and assessed the value of closing inventory, resultantly no impairment has been recorded.

16 TRADE DEBTS

Local trade receivables:
Considered good

46,785,000	2,878,421
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17 OTHER RECEIVABLES

Sales tax receivable

32,233,792	33,115,984
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	2026	2025
	Rupees	
18 ADVANCE INCOME TAX		
Balance at the beginning of the year	3,120,812	2,953,717
Add: Advance Income Tax paid during the year	11,463,058	167,095
Less: Advance Income Tax adjusted	(7,866,712)	-
Balance at the end of the year	6,717,158	3,120,812
19 CASH AND BANK BALANCES		
Cash in hand	1,645,266	795,587
Cash at banks :		
in current accounts	5,764,848	1,542,296
	7,410,114	2,337,883

Note



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20 SALES - Net

Sales - Gross	895,836,154	21,358,046
Less: Sales Tax	(136,652,344)	(3,258,006)
Less: Trade Discount on Sales	(65,312,625)	-
	693,871,185	18,100,040

21 COST OF SALES

Raw material consumed	21.1	604,239,481	1,976,000
Salaries, wages and other benefits		54,559,634	-
Utilities		10,148,339	-
Insurance		431,093	-
Depreciation	11.2	4,141,778	-
Miscellaneous		4,800,000	-
		678,320,325	1,976,000

Work-in-Process

At beginning of the year	-	46,761,851
At end of the year	(13,339,611)	-

Cost of goods manufactured

(13,339,611)	46,761,851
664,980,714	48,737,851

Finished goods

At beginning of the year	-	120,244,759
At end of the year	(34,048,587)	-

(34,048,587)	120,244,759
630,932,127	168,982,610

21.1 Cost of raw material

Opening Stock	-	1,976,000
Purchases	606,820,521	-
	606,820,521	1,976,000
Less Closing Stock	(2,581,040)	-
	604,239,481	1,976,000

21.2 Salaries, wages and other benefits includes Unrecognised Provident Fund amounting to Rs. 1,199,445/- (2025: Nil).

22 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	9,529,683	3,151,134
Utilities	2,964,381	2,584,298
Travelling and conveyance	210,508	180,408
Telephone and postage	218,409	94,424
Depreciation	11.2	2,761,185
Insurance	2,177,053	2,177,978
Miscellaneous	185,910	171,930
	18,047,129	15,922,561

2026 2025

Rupees

23 SELLING AND DISTRIBUTION EXPENSES

Salaries, wages & other benefits	299,933	-
Vehicle Running and Maintenance	750,750	-
Freight & Forwarding	24,225,000	-
Other Selling expenses	707,325	-
	25,983,008	-

24 OTHER OPERATING EXPENSES



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Auditor's Remuneration	24.1	522,500	475,000
Legal and Professional		1,771,647	1,445,010
Workers Profit Participation Fund		2,388,048	-
Workers Welfare Fund		872,556	-
		<u>5,554,751</u>	<u>1,920,010</u>
24.1 Auditor's Remuneration			
Audit Fee		385,000	350,000
Half Yearly Review		137,500	125,000
		<u>522,500</u>	<u>475,000</u>
25 OTHER INCOME			
Income From Financial Assets:			
Dividend Income		29,931,950	15,369,422
Capital gain on sale of shares		415,386	248
		<u>30,347,336</u>	<u>15,369,670</u>
26 FINANCE COST			
Interest on provident fund		34,411	-
Bank charges		4,350	4,690
		<u>38,761</u>	<u>4,690</u>
27 LEVIES			
Minimum tax			
- For the year	27.1	8,673,390	226,251
- Prior years		-	-
		<u>8,673,390</u>	<u>226,251</u>
27.1	This represents minimum tax on sale of goods under Section 113 of the Income Tax Ordinance, 2001 representing levy in terms of requirements of interpretation issued by International Financial Reporting Interpretation Committee (IFRIC) 21 / International Accounting Standard 37, Provision, contingent liabilities and contingent assets.		
	Note	2026	2025
28 INCOME TAX EXPENSE		<u>Rupees</u>	
Current taxation			
- For the period		-	-
- Prior period		-	-
		<u>-</u>	<u>-</u>
Tax on dividend			
- For the year		4,489,793	2,305,413
- Prior years		2,723,867	-
		<u>7,213,660</u>	<u>2,305,413</u>
Deferred tax income		<u>(9,650,762)</u>	<u>(2,072,837)</u>
		<u>(2,437,102)</u>	<u>232,576</u>
28.1 Numerical reconciliation between average and applicable tax rate			
Applicable tax rate		29%	29%
		<u>2026</u>	<u>2025</u>
29 EARNINGS PER SHARE - BASIC AND DILUTED		<u>Rupees</u>	



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

Profit attributable to ordinary shares	(Rs.)	38,264,073	(153,761,366)
Average Ordinary Shares	(Nos.)	9,000,000	9,000,000
		4.25	(17.08)

30 TRANSACTIONS WITH RELATED PARTIES

30.1 The related parties comprise the companies under common control, the companies where key management personnel have control, the directors of the Company and the key management personnel of the Company. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

30.2 Transactions with related parties

Transactions with related parties other than those disclosed elsewhere are as follows:

Nature of relationship	Nature of Transaction	2026	2025
		Rupees	
Sponsors	Loan obtained	137,540,000	137,297,971
Associates	Purchases	604,573,893	-
Associates	Sales	166,242,487	-

31 Chief executive, directors and executives remuneration

31.1 The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

Description	Chief Executive	Director	Executives
	Rupees		
June 30, 2026			
Managerial remuneration	-	-	1,874,400
Allowances and perquisites	-	-	-
	-	-	1,874,400
No. of persons	1	7	1
	Chief Executive	Director	Executives
June 30, 2025			
Managerial remuneration	-	-	-
Allowances and perquisites	-	-	-
	-	-	-
No. of persons	1	7	-

31.1.1 The Chief Executive and Director did not receive any remuneration during the year due to the financial constraints of the Company.

32 NUMBER OF EMPLOYEES

	2026	2025
Total number of employees as at June 30	140	20
Average number of employees as at June 30	80	20

33 Disclosure Requirements for All Shares Islamic Index

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1 - Corporate and general information

1.1 - Legal status and operations

The company was incorporated under the Companies Ordinance, 1984 (Now Companies Act, 2017) 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 Pakistan Stock Exchange. The principal activity of the Company 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. This Mill is located at Plot # 25, Gadoon Amazai Industrial Estate, Swabi, Khyber Pakhtoonkhwa.

2 - Basis of preparation

These financial statements have been prepared under historical cost convention modified by application of following:

2.1 - 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
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 - Basis of measurement

These financial statements have been prepared on the basis of "historical cost" convention except certain property, plant and equipment items carried at revaluation and employee retirement benefits carried at present value. Moreover, these financial statements have been prepared on accrual basis except for statement of cash flows.

2.3 - Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency.

2.4 - Adoption of standards, amendments and framework effective during the year.

There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 01, 2024. However, these amendments do not have any significant impact on the Company's financial statements.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

- IAS 7 (Amendments) 'Statement of Cash Flows' and IFRS 7 'Financial Instruments Disclosures';
- IFRS 16 (Amendments) 'Lease Liability in a Sale and Leaseback';

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.



Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified or has been waived off 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)
- IFRIC 12 (Service concession arrangements)

3 - Summary of Significant Accounting Policies

3.1 - Financial instruments

Financial instruments are carried on the statement of financial position 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.

3.1.1 - Off-setting of financial assets and financial liabilities

A financial asset and financial liability are off set and the net amount reported in the statement of financial position, 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.

3.1.2 - 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 De-recognition

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 effective interest rate method. Any gain or loss arising on de-recognition 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 de-recognition 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.

3.1.3 - 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, are 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, 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.

3.1.4 - 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 difficulty, 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 difficulties.

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; and
- 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;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.



The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

Non-Financial Asset

Assets that have an indefinite useful life are not subject to depreciation/amortization and are tested annually for impairment. Assets that are subject to depreciation/amortization are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in statement of profit or loss.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

3.2 - Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax laws and the decisions of appellate authorities on certain issues invoking legal cases in the past relevant the Company.

3.3 - Provision for doubtful debts

The Company reviews its receivables against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

3.4 - Contingencies

The Company has disclosed significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the statement of financial position.

3.5 - Liabilities

The liabilities are accounted for on accrual basis, unless stated otherwise.

3.6 - 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 assets, 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 statement of profit or loss 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 statement of financial position.

Gain / loss on disposal of fixed assets, if any, is taken to statement of profit or loss 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 statement of profit or loss 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

Property, plant and equipment, except freehold land, are stated at cost/revaluation less accumulated depreciation and impairment in value, if any. Freehold land is stated at revalued amount less accumulated impairment in value, if any.

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

A revaluation surplus is recorded in other comprehensive income (OCI) and presented as a separate part of equity. However, the increase is recorded in the statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognized in the statement of profit or loss, however, a decrease is recorded in statement of other comprehensive income to the extent of any credit balance in revaluation surplus in respect of same assets. The revaluation reserve is not available for distribution to the Company's shareholders.

Depreciation on property, plant and equipment in respect of additions and disposal during the year is charged from the date of acquisition or capitalization and up to the date preceding the day of disposal respectively. Depreciation is charged to statement of profit or loss applying the reducing balance method.

Residual value and useful life of assets are reviewed at each financial year end and if expectations differ from previous estimates, the change is accounted for as change in accounting estimate in accordance with IAS-8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Surplus on revaluation of property, plant and equipment

Surplus arising on acquisition being the difference between fair value of the assets acquired and the consideration paid is recognized as income over the remaining useful life of the assets acquired. Increase in carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity.

To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same assets are first recognized in other comprehensive income to the extent of remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Differences between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property plant and equipment to unappropriated profit.

3.7- 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 statement of profit or loss 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 method 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 statement of profit or loss. Investments that are actively traded in organized capital markets, their fair value is determined by reference to stock exchange quoted market bids at the close of business on the statement of financial position. 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.

3.8 - Stock in Trade

These are valued at lower of cost and net realizable value less impairment loss, if any, except for goods in transit. The basis of cost valuations are as follows:

Particulars	Mode of Valuation
Raw material	calculated on weighted average basis
Work-in-process	at weighted average manufacturing cost
Finished goods	At lower of cost and net realizable value
Waste	at realizable value

Cost in relation to work-in-process and finished goods represents average manufacturing cost which consists of prime cost and proportion of manufacturing overheads based on normal capacity.

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon up to the date of statement of financial position.

Provision is made in the financial statements against slow moving and obsolete stock-in-trade, based on management's best estimate regarding their future usability whenever necessary, and is recognized in the statement of profit or loss. Net realizable value signifies selling price in ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

3.9 - Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks in current, savings and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.10- 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, 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.

3.11 - Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on accrual basis.



3.11.1 - 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, 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.

3.12 - Revenue recognition

The Company follows IFRS 15 which 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 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 returning 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.
- Dividends are 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.

3.13 - Trade debts and other Receivables

Trade debts are initially measured at their transaction price under IFRS 15 and subsequently measured at amortized cost less any allowance for expected credit losses (ECL).

3.14 - Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

3.15 - Related party transaction

All transactions between Company and related parties are accounted for as an independent business in accordance with mutually agreed terms and conditions until unless disclosed specifically and are accounted for and disclosed in the financial statements accordingly. 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.

The accounting methods adopted for various types of transactions and balances with related parties are as follows:

a) Sale of goods and services

Revenue from sale of goods and services to related parties is recognized in accordance with the revenue recognition policy of the Company for such transactions.

Receivables against sale of goods outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

b) Purchase of Goods and Services

Purchases of goods from related parties are recognized at actual cost to the Company.

Payables against purchases from related parties outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

c) Dividend Distribution

Distribution to related parties having shareholding in the Company is recognized in accordance with the accounting policy of the Company for dividend distribution to ordinary shareholders.

3.16 - Taxation

Current

The charge for current tax is based on the taxable income at the current rate of taxation, after taking into account applicable tax credit, rebates and exemptions available, including income covered under final tax regime. The charge for current tax also includes prior year adjustments, where considered, arising due to assessments finalized during the 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 differences 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. Deferred tax assets and liabilities are offset if certain criteria are met.

3.17 - Segment reporting

A segment is a distinguishable component within the Company that is engaged in providing products and is under a



common control environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment 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, and management has distinguished its business into main division called "foam products division"; therefore, no segmentation has been provided as per the relevant provisions of IFRS 08 and requirements of Companies, Act, 2017.

No segmentation is required for PVA plant because of closure of operational activities .

3.18 - 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.

3.19 - 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 statement of profit or loss, 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 number 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 statement of profit or loss.

3.20 - Earning Per Share

The Company calculates both basic and diluted earnings per share in accordance with IAS 33 "Earnings per Share". Under IAS 33, basic EPS is computed using weighted average number of shares outstanding during the year.

Diluted EPS is computed using weighted average number of shares outstanding plus dilutive effect of stock options outstanding during the year.

3.21 - Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders.

The total comprehensive income comprises of all the components of profit or loss and other comprehensive income.

Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards, and is presented in 'statement of other comprehensive income'.

3.22 - Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.



3.23- Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom be equal to the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgments are:

- a) Estimated useful life of property, plant and equipment - Note 3.6 and 11
- b) Provision for slow moving inventories - Note 3.8 and 15
- c) Estimation of current and deferred tax - Note 3.16 and 28
- d) Fair Value Measurement - Note 3.1 and 14

3.24 - Bonus Shares

Reserve for issue of bonus shares is created in the year in which such an issue is approved.



34 FINANCIAL RISK MANAGEMENT

34.1 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 risks during this period as there is no import/export. The Company purchases all the raw material required for production locally.

(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 arises 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 statement of financial position date, the interest rate profile of the Company's interest bearing financial instruments was:

	Jun-26	Jun-25
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 (2025: 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 statement of financial position date 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-26	Jun-25	Jun-26	Jun-25
	(Rupees)			
KSE 100 (5% increase)	-	-	23,190,563	11,820,027
KSE 100 (5% decrease)	-	-	(23,190,563)	(11,820,027)

Equity (fair value reserve) would increase / decrease as a result of gain / loss on equity investment classified as available for sale.



(b) Credit risk

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-26 Rupees	Jun-25 Rupees
Long Term Deposits	See note no. 12	330,885	330,885
Investments Under equity Method	See note no. 13	67,546,415	66,708,799
Investments available for sale	See note no. 14	463,811,253	236,400,547
Bank Balances	See note no. 19	5,764,848	1,542,296
		537,453,401	304,982,528

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		
	Short Term	Long term	Agency
Banks			
Allied Bank Limited	A-1+	AAA	PACRA
Bank Alfalah	A-1+	AAA	PACRA
Silk Bank Limited	A-1+	AAA	JCR-VIS
Habib Metropolitan Bank Limited	A-1+	AAA	PACRA
Bank Alhabib Limited	A-1+	AAA	PACRA
Habib Bank Limited	A-1+	AAA	PACRA
Meezan Bank Limited	A-1+	AAA	PACRA

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 ~~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:

	0-30 Days	30-60 Days	61-120 Days	More than 120 Days	Total
	0%	0%	0%	2%	
Balance as at June 30, 2026	29,868,787	16,916,213	-	-	46,785,000
Loss allowance	-	-	-	-	-
Balance as at June 30, 2025	-	1,293,240	1,585,181	-	2,878,421
Loss allowance	-	-	-	-	-

ECL on other receivables is calculated using general approach.

As at the reporting date, The 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:

	2026	2025
Gross carrying amount (Others)	531,688,553	303,440,232
Loss allowance	-	-

(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 June 30, 2026, the Company had Rs. 7,410,114 (2025: Rs.2,337,883) 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. The amounts disclosed in the table are undiscounted cash flows.



Contractual maturities of financial liabilities as at June 30, 2026:

	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	97,997,775	97,997,775	-	97,997,775	-	-
Due to Sponsors	137,540,000	137,540,000	-	137,540,000	-	-
	<u>235,537,775</u>	<u>235,537,775</u>	<u>-</u>	<u>235,537,775</u>	<u>-</u>	<u>-</u>

Contractual maturities of financial liabilities as at June 30, 2025:

	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	41,114,598	41,114,598	-	41,114,598	-	-
Due to Sponsors	137,297,971	137,297,971	-	-	-	137,297,971
	<u>178,412,569</u>	<u>178,412,569</u>	<u>-</u>	<u>41,114,598</u>	<u>-</u>	<u>137,297,971</u>

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 disbursement having no markup.

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

	Long-Term Borrowings Used For Cash Management Purpose	TOTAL
Balance as at July 01,2025	137,297,971	137,297,971
Changes from financing cash flows		
Repayment of loan	(150,040,000)	-
Proceeds from loan	150,282,029	-
Receipts of security deposit	-	-
Disbursement of security deposit	-	-
Total changes from financing activities	242,029	
Other Changes , Interest Cost		
Interest expenses	-	-
Interest Paid	-	-
Exchange loss	-	-
Amortization of transaction cost	-	-
Finance cost capitalized	-	-
Changes in running finance	-	-
Balance as at June 30,2026	<u>137,540,000</u>	<u>137,297,971</u>

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 2026				
Assets				
Available for sale financial assets	463,811,253	-	-	463,811,253
Investment in associates	-	67,546,415	-	67,546,415
As at 30 June 2025				



Assets

Available for sale financial assets	236,400,547	-	-	236,400,547
Investment in associates	-	66,708,799	-	66,708,799

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position 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.

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, as at the year end.

34.3 Financial instruments by categories

As at June 30, 2026

Assets as per statement of financial position

	At Fair Value Rupees	At Amortized Cost Rupees	Total Rupees
Long Term Deposits	-	330,885	330,885
Investment -Available for Sale	463,811,253	-	463,811,253
Cash and Bank Balances	7,410,114	-	7,410,114
	<u>471,221,367</u>	<u>330,885</u>	<u>471,552,252</u>

At Amortized Cost

Rupees

Liabilities as per statement of financial position

Trade and other payables	41,114,598
Loan from related party	137,540,000
	<u>178,654,598</u>
Net Financial gap at the year end (Assets / Liabilities)	<u>(292,897,654)</u>
Interest Bearing financial Liabilities	-
Non-Interest Bearing financial Liabilities	178,654,598

As at June 30, 2025

Assets as per statement of financial position

	At Fair Value Rupees	At Amortized Cost Rupees	Total Rupees
Long Term Deposits	-	330,885	330,885
Investment -Available for Sale	236,400,547	-	236,400,547
Cash and Bank Balances	2,337,883	-	2,337,883
	<u>238,738,431</u>	<u>330,885</u>	<u>239,069,316</u>

At Amortized Cost

Rupees

Liabilities as per statement of financial position

Trade and other payables	41,114,598
Loan from related party	137,297,971
	<u>178,412,569</u>
Net Financial gap at the year end (Assets / Liabilities)	<u>(60,656,747)</u>
Interest Bearing financial Liabilities	-
Non-Interest Bearing financial Liabilities	178,412,569

34.4 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 divided by total capital employed. Borrowings represent long term borrowings obtained by the Company as referred to in Note 6. Total Capital employed includes 'total equity' as shown in statement of financial position.



DIAMOND INDUSTRIES LIMITED

ANNUAL REPORT 2026

	Jun-26	Jun-25
Borrowings	137,540,000	137,297,971
Total Equity	424,978,102	202,183,388
Total Capital Employed	562,518,102	339,481,359
Gearing ratio	Percentage	24%
		40%

35 PLANT CAPACITY AND PRODUCTION

2026

2025

Total capacity Available	12,000	12,000
Utilised Capacity	-	-

36 CORRESPONDING FIGURES

The preparation & presentation of these financial statements for the year ended June 30, 2026 is in accordance with the requirements of Companies Act 2017. The fifth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirement for the elements of the financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever necessary, to comply with requirements of the Companies Act 2017 and for better presentation.. However, no significant re-arrangements have been made except the following, for better presentation:

Reclassified From	Reclassified To	Head	2025 Amount
Loans and advances	Advance income tax	Advance income tax	33,115,984
Loans and advances	Other receivables	Advance sales tax	3,120,812
Administrative Expense	Other operating expenses	Legal & Professional	1,771,647
Administrative Expense	Other operating expenses	Auditor Remuneration	475,000
Income tax expense	Levy	Levy expense	226,251

37 DISCLOSURE OF MATERIAL INFORMATION

The Company through its letter dated 10-01-2023 has informed PSX as per the rules applicable that due to adverse economic conditions, and non availability of raw materials, the Company has suspended its commercial/ manufacturing operations from January 10, 2023 till further notice . During the year, the Company availed toll manufacturing services from Diamond Tyres Limited for manufacturing of its products while the Company's manufacturing plant remained closed.

38 EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION DATE

Nothing has come to the attention subsequent to the reporting date that would require adjustment to or disclosure in these financial statements.

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorised for issue on October 02, 2026 by Board of Directors of the Company.

40 GENERAL

Figures have been rounded off to nearest rupee.

Chief Executive

Chief Financial Officer

Director

DIAMOND INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2026

12.1 PROPERTY, PLANT AND EQUIPMENT

2026					
	Annual Rate of Depreciation %	Cost as at Jul-25	Addition/ (Deletion)	Cost as at 30-Jun-26	Accumulated Depreciation as at 01-Jul-24
Freehold Land	0%	47,757,763	-	47,757,763	-
Building	5%	46,517,587	-	46,517,587	8,944,462
Plant and Machinery - Foam & Chemical	10%	90,000,000	-	90,000,000	42,170,310
Office Equipment	10%	7,562,169	-	7,562,169	5,458,165
Furniture and fixtures	10%	4,097,033	-	4,097,033	3,952,568
Vehicles	20%	1,333,324	-	1,333,324	1,250,866
		197,267,876	-	197,267,876	61,776,371
					6,902,964

12.1.1 Depreciation for the year has been allocated as under:

	June-2026 Rupees	June-2025 Rupees
Cost of sales	1,878,656	-
Administrative expenses	5,024,308	7,562,387
	6,902,964	7,562,387



Operating Highlights

		2019	2020	2021	2022	2023	2024	2025	2026
KEY INDICATORS									
OPERATING									
GROSS MARGIN	%	0.00	9.00	10.22	9.86	3.54	0.00	0.04	-
OPERATING MARGIN	%	0.00	1.15	17.75	4.10	-2.76	0.00	-8.47	0.06
PRE TAX MARGIN	%	0.00	1.12	16.59	3.77	-2.82	0.00	-1.02	-0.71
NET MARGIN	%	0.00	0.89	20.53	2.96	-5.80	0.00	1.00	0.88
PERFORMANCE									
RETURN ON ASSETS	%	-7.32	2.05	6.49	6.08	-8.85%	-0.05	(3.71)	0.27
ASSETS TURNOVER	Times	0.00	0.02	0.32	2.05	1.95	0.00	0.4	4.8
FIXED ASSETS TURNOVER	Times	0.00	0.05	0.97	10.85	6.34	0.00	0.13	5.40
INVENTORY TURNOVER	Times	0.00	0.00	0.90	6.93	3.70	0.00	0.00	0.00
RETURN ON EQUITY	%	-15.69	0.04	37.24	30.44	-18.86	-0.10	-0.76	0.09
LEVERAGE									
DEBT : EQUITY	Times	0.76	0.71	1.72	0.79	1.13	1.14	0.68	-
LIQUIDITY									
CURRENT	Times	1.88	1.92	1.71	1.52	2.14	2.06	0.51	0.90
QUICK	Times	1.83	1.92	0.84	0.58	0.47	0.40	0.51	0.59
VALUATION									
EARNING PER SHARE (PRE TAX)	RS.	-1.42	1.14	0.03	7.47	-3.01	-1.28	-17.03	3.98
EARNING PER SHARE (AFTER TAX)	RS.	-3.14	0.91	0.04	5.88	-4.85	-2.69	-17.08	4.25
BREAK UP VALUE	RS.	20.02	21.42	235.26	286.72	231.49	246.69	202.19	
HISTORICAL TRENDS									
TRADING RESULTS									
TURNOVER	RS.	-	9,230	163,264	1,785,557	959,924	-	18,100	693,871
GROSS PROFIT / (LOSS)	RS.	-	814	16,686	175,994	33,969	-	(150,883)	62,939
OPERATING PROFIT / (LOSS)	RS.	(12,946)	10,631	28,972	73,152	(26,469)	(11,497)	(153,355)	43,702
PROFIT/(LOSS) BEFORE TAX	RS.	(12,770)	10,294	27,090	67,245	(27,107)	(11,480)	(153,303)	44,500
PROFIT/(LOSS) AFTER TAX	RS.	(28,274)	8,231	33,515	52,907	(43,647)	(24,233)	(153,761)	38,264
FINANCIAL POSITION									
SHAREHOLDERS' FUNDS	RS.	180,174	192,758	235,257	286,721	231,485	246,687	202,183	423,105
PROPERTY, PLANT & EQUIPMENT	RS.	173,839	199,295	168,822	160,437	151,344	143,053	135,492	128,589
NET CURRENT ASSETS	RS.	180,174	192,758	320,570	567,650	213,445	210,008	41,453	143,115

**FORM 20****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

30-06-2026

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
226	1	100	6,669
193	101	500	60,083
49	501	1,000	41,629
71	1,001	5,000	170,760
11	5,001	10,000	82,517
5	10,001	15,000	59,386
1	15,001	20,000	16,297
3	20,001	25,000	68,500
3	25,001	30,000	83,791
2	90,001	95,000	181,706
1	120,001	125,000	121,500
1	125,001	130,000	126,000
2	155,001	160,000	307,478
2	240,001	245,000	485,050
2	310,001	315,000	629,916
1	395,001	400,000	399,000
1	475,001	480,000	476,855
1	520,001	525,000	520,480
1	745,001	750,000	750,000
1	750,001	755,000	751,000
1	1,705,001	1,710,000	1,710,000
1	1,950,001	1,955,000	1,951,383
579			9,000,000



2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	2,198,050	24.4228%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	3,401,883	37.7987%
2.3.3 NIT and ICP	700	0.0078%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	-	0.0000%
2.3.5 Insurance Companies	-	-
2.3.6 Modarabas and Mutual Funds	500	0.0056%
2.3.7 Shareholders holding 10% or more	4,030,158	44.7795%
2.3.8 General Public		
a. Local	2,579,848	28.6650%
b. Foreign	-	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	819,019	9.1002%



DIAMOND INDUSTRIES LIMITED

Categories of Shareholding required under Code of Corporate Governance (CCG)

As on June 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
---------	------	--------------------	------------

Associated Companies, Undertakings and Related Parties (Name Wise Detail):

1	DIAMOND PRODUCTS (PVT) LIMITED	150,000	1.6667
2	CAPITAL INDUSTRIAL ENTERPRISES (PVT) LTD.(CDC)	2,077,383	23.0820
3	ENGLANDER INDUSTRIES (PVT) LTD.(CDC)	399,000	4.4333
4	SYMBOL INDUSTRIES (PVT) LIMITED (CDC)	775,500	8.6167

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	1,952,775	21.6975
2	MRS. SEEMA IFTIKHAR	500	0.0056
3	MR. MUHAMMAD SAMEER	500	0.0056
4	MR. HASHIM ASLAM BUTT	500	0.0056
5	MR. MOHIB HUSSAIN	500	0.0056
6	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:

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

<u>S. No.</u>	<u>Name</u>	<u>Holding</u>	<u>Percentage</u>
1	CAPITAL INDUSTRIAL ENTERPRISES (PVT) LTD.(CDC)	2,077,383	23.0820
2	MR. IFTIKHAR A. SHAFFI	1,952,775	21.6975
3	SYMBOL INDUSTRIES (PVT) LIMITED (CDC)	775,500	8.6167
4	VALUE STOCK AND COMMODITIES (PRIVATE) LIMITED (CDC)	750,000	8.3333
5	MR. MUDDASAR IFTIKHAR (CDC)	520,480	5.7831
6	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:

S.No	NAME	SALE	PURCHASE
1	MR. IFTIKHAR SHAFFI (CDC)	-	242,775
2	MRS. SEEMA IFTIKHAR		242,775



FORM OF PROXY DIAMOND INDUSTRIES LIMITED

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
Tuesday 27th October, 2026 at 11:00 a.m. and any adjournment thereof.

As witnessed given under my/our hand(s) _____ day of _____ 2026.

1) Witness:



Signature _____

Name _____

Signature of Member

Address _____

2) Witness:

Signature _____ Shares Held _____

Name _____ Shareholder's Folio No. _____

Address _____ 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 shall 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 27 اکتوبر 2026 بروز منگل صبح 11 بجے ہمارے رجسٹرڈ آفس، پلاٹ نمبر 25 گدون اماڑے 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 _____ 2026 _____
(1) گواہ



دستخط _____
نام _____
پتہ _____

ممبر کے دستخط

دستخط _____ زیر ملکیت حصص _____
نام _____ شیئر ہولڈر کا فو لیو 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 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 سے 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۔

- (i) پراکسی فارم تصدیق و وافر اسے 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 / پاور آف اٹارنی کے ساتھ نمونے کے دستخط جمع کروانے ہوں گے (جب تک یہ پہلے فراہم نہیں کئے گئے)۔