



DIAMOND INDUSTRIES LIMITED

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DIAMOND INDUSTRIES LIMITED

CORPORATE PROFILE

BOARD OF DIRECTORS

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

COMPANY SECRETARY

- Mr. Zahoor Ahmad

CHIEF FINANCIAL OFFICER

- Mr. Munawar Hussain

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

LEGAL ADVISOR

- A.K. Minhas Law Associates

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

FACTORY

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

PRINCIPLE OFFICE

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

SHARE REGISTRAR

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



DIAMOND INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of **Diamond Industries Ltd.**, feels pleasure to present before you unaudited quarterly financial statements of your company for the quarter ended 30th September, 2019.

BRIEF REVIEW OF OPERATIONS:

As already reported in Directors' Report of the latest annual financial statements, that the management intends to resume its business activities but due to non-clearance of eCIB report, Increase in KIBOR rates coupled with PKR devaluation against dollar, unprecedented price hike of raw materials and increased working capital requirements, currently it is not feasible to restart its core business activities. During the quarter under review, the company has earned operating profit / (Loss) of Rs. 4.634 million as compared to Rs. (3.558) million of the preceding quarter which was due to sale of old stock and other operating income of Rs. 11.892 million comprising rental and dividend income. Whereas Profit / (Loss) after taxation is Rs. 3.290 million as against of Rs. (21.300) million of the corresponding quarter.

FUTURE OUTLOOK:

The management is continuously monitoring the macroeconomic environment of the country and will resume its manufacturing activities upon clearance of eCIB report, availability of financing facilities and stability of economic situation of country. Directors are applying their untiring efforts to exploit the available opportunities in the market and best utilization of all available resources to earn profits.

EARNING PER SHARE:

The earnings per share of the company for the period under review are Rs. 0.37 as compared to Rs. (2.37) in the last corresponding quarter ended 30th September, 2018.

ACKNOWLEDGEMENT:

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

For and on behalf of Board

Lahore
Dated:- 28th October, 2019

IFTIKHAR SHAFFI
Chief Executive



DIAMOND INDUSTRIES LIMITED

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز: ڈائریکٹرز رپورٹ کے ڈائریکٹرز 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کیلئے آپ کو غیر آڈٹ شدہ مالیاتی بیانات پیش کرنے پر خوش محسوس کرتے ہیں۔

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

انظامی نقصان / منافع پچھلے سہ ماہی (3.558) ملین روپے کے مقابلے میں 4.634 ملین روپے رہا۔ اور نفع / (نقصان) بعد از ٹیکس پچھلے سال (21.30) ملین روپے کے مقابلے میں 3.290 ملین روپے رہا۔

مستقبل کا جائزہ: کمپنی ملک کے بڑے لیول پر معاشی ماحول کو مانیٹر کر رہی ہے۔ اور ECIB کی کلیئرنس پر، مالی سہولتوں کی فراہمی اور معاشی حالت کی بہتری پر اپنی کورس گریووں کو دوبارہ شروع کرے گی۔

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

فی حصص شیئر: فی حصص آمدنی / (نقصان) 30 ستمبر 2019ء میں پچھلی سہ ماہی میں (2.37) روپے فی حصص کے مقابلے میں 0.37 روپے فی حصص رہا۔

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

افتخار شفیع
چیف ایگزیکٹو

بتاریخ: 28 اکتوبر 2019ء

لاہور



DIAMOND INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2019

ASSETS	Note	SEPTEMBER 2019		2019	
		Book value	Estimated Realizable/settlement value	Book value	Estimated Realizable/settlement value
Cash and bank balances		1,362,016	1,362,016	701,212	701,212
Trade Debts		3,548,204	3,548,204	4,226,629	4,226,629
Loan and Advances		60,271,251	60,271,251	59,112,488	59,112,488
Other Receivables		1,969,309	1,969,309	1,969,309	1,969,309
Stock in trade	12	-	-	8,415,706	8,415,706
Long Term Deposits		330,885	330,885	330,885	330,885
Investments Under equity Method	11	66,122,810	66,122,810	66,122,810	66,122,810
Investments available for sale		68,992,482	68,992,482	71,313,512	71,313,512
Investment Property	10	170,865,529	170,865,529	173,838,698	173,838,698
TOTAL ASSETS		373,462,486	373,462,486	386,031,249	386,031,249
LIABILITIES					
Trade and other payables		17,784,203	17,784,203	26,487,787	26,487,787
Unclaimed Dividend		432,544	432,544	432,544	432,544
Due to related parties and others	8	131,119,608	131,119,608	137,297,971	137,297,971
Deferred liabilities		40,940,782	40,940,782	41,638,470	41,638,470
Provision for taxation		2,041,618	2,041,618	-	-
TOTAL LIABILITIES		192,318,755	192,318,755	205,856,772	205,856,772
NET ASSETS		181,143,730	181,143,730	180,174,477	180,174,477
REPRESENTED BY:-					
Authorized share capital					
12,000,000 Ordinary shares of Rs. 10/- each		120,000,000	120,000,000	120,000,000	120,000,000
Issued, subscribed and Paid Up Capital	7	90,000,000	90,000,000	90,000,000	90,000,000
Surplus on revaluation of fixed assets		137,233,459	137,233,459	138,921,659	138,921,659
Reserves		(46,089,728)	(46,089,728)	(48,747,182)	(48,747,182)
Share Holders' Equity		181,143,730	181,143,730	180,174,477	180,174,477
Contingencies & Commitments	9	-	-	-	-
		181,143,730	181,143,730	180,174,477	180,174,477

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

Chief Executive

Chief Financial Officer

Director



DIAMOND INDUSTRIES LIMITED

STATEMENT PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Note	Quarter Ended	Quarter Ended
		September 30, 2019 Rupees	September 30, 2018 Rupees
Sales - net		9,229,744	-
Cost of sales	13	(8,415,706)	-
Gross profit		814,038	-
Depreciation for the year		(2,973,169)	-
Administrative expenses		(5,096,416)	(9,028,994)
		(8,069,585)	(9,028,994)
		(7,255,547)	(9,028,994)
Other Operating income		11,892,853	5,471,441
Loss from Operations		4,637,306	(3,557,553)
Finance Cost		(3,063)	(719)
Profit/(loss) before Taxation		4,634,243	(3,558,272)
TAXATION			
- Current		(2,041,618)	-
- Deferred Tax		697,688	(17,742,250)
		(1,343,930)	(17,742,250)
Profit / (Loss) after Taxation		3,290,312	(21,300,522)
Earning/ (Loss) per Share	14	0.37	(2.37)

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

Chief Executive

Chief Financial Officer

Director



DIAMOND INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30, 2019 Rupees	Quarter Ended September 30, 2018 Rupees
Profit / (Loss) for the year	3,290,312	(21,300,522)
Other Comprehensive Income		
Items that cannot be reclassified to profit and loss account		
Items that may be reclassified to profit and loss account		
Unrealized gain / (loss) arising on remeasurement of available for sale investments	(2,321,030)	5,288,564
	(2,321,030)	5,288,564
Total Comprehensive/(loss) Income for the year	<u>969,282</u>	<u>(16,011,958)</u>

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

Chief Executive

Chief Financial Officer

Director



DIAMOND INDUSTRIES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30, 2019 Rupees	Quarter Ended September 30, 2018 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	4,634,243	(3,558,272)
Adjustment for Non Cash and other items:		
Depreciation on property, plant and equipment	2,973,169	3,245,872
Share of loss of associated company	-	(971,150)
	-	-
Finance cost	3,063	719
Interest Income	-	(291)
Cash Flow Before Working Capital Changes	<u>7,610,475</u>	<u>(1,283,122)</u>
Working Capital Changes (Increase)/Decrease in Current Assets		
Stock in Trade	8,415,706	-
Trade Debts	678,425	6,484,231
Loans and Advances	328,109	(748,476)
Other Receivables	-	-
	<u>9,422,240</u>	<u>5,735,755</u>
Increase/(Decrease) in Current Liabilities		
Trade and Other Payables	(8,703,584)	(5,024,617)
Cash Inflow / (Outflow) From Operations	<u>8,329,131</u>	<u>(571,984)</u>
Income tax paid	(1,486,901)	(163,221)
Finance cost paid	(3,063)	(719)
Gratuity paid / adjusted	-	-
Net Cash Inflow / (Outflow) From Operating Activities	<u>6,839,167</u>	<u>(735,924)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	-	291
Net Cash Generated from / (used in) Investing Activities	<u>-</u>	<u>291</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Due to Related Parties and others	(6,178,363)	(1,680,216)
Net Cash Flow from Financing Activities	<u>(6,178,363)</u>	<u>(1,680,216)</u>
Net (Decrease) in Cash & Cash Equivalents	660,804	(2,415,849)
Cash & Cash Equivalents at Beginning of the Year	701,212	4,006,998
Cash & Cash Equivalents at End of the year	<u>1,362,016</u>	<u>1,591,149</u>

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

Chief Executive

Chief Financial Officer

Director



DIAMOND INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Share Capital	Revaluation Surplus	RESERVES		TOTAL EQUITY
			CAPITAL	REVENUE	
			Fair value reserve	Accumulated Profits / Losses	
(Rupees)					
Balance as at 01 July 2017-Audited	90,000,000	146,268,076	30,548,818	(47,033,269)	219,783,625
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	(1,810,744)	-	1,810,744	-
Profit / (Loss) for the year	-	-	-	(21,300,522)	(21,300,522)
Other comprehensive income for the year	-	-	-	5,288,564	5,288,564
Balance as at 30 September 2018- Unaudited	<u>90,000,000</u>	<u>144,457,332</u>	<u>30,548,818</u>	<u>(61,234,483)</u>	<u>203,771,667</u>
Balance as at 01 July 2018	90,000,000	138,921,630	19,213,466	(67,960,648)	180,174,448
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	(1,688,171)	-	1,688,171	-
Profit / (Loss) for the year	-	-	-	3,290,312	3,290,312
Other comprehensive income for the year	-	-	(2,321,030)	-	(2,321,030)
Balance as at 30 September 2019- Unaudited	<u>90,000,000</u>	<u>137,233,459</u>	<u>16,892,436</u>	<u>(62,982,164)</u>	<u>181,143,730</u>

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

Chief Executive

Chief Financial Officer

Director



DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION For The Quarter Ended September 30, 2019 (Un-Audited)

1 STATUS AND NATURE OF BUSINESS

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

GOING CONCERN ASSUMPTION

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

b) The Company in the year under audit declared a net profit after tax of Rs.3.29 million after charging deferred tax income of Rs. 0.697 million for the period ended September 30, 2019. The company's net equity after including the revaluation surplus of fixed assets of Rs. 137.23 million result at Rs. 181.143 million (2018: Rs. 203.77 million). Further the cash flows of the company are not enough to liquidate its liabilities in the present situation.

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

2 STATEMENT OF COMPLIANCE

This Condensed interim financial information is unaudited and is being submitted to the members as required by section 237 of the Companies Act 2017. The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and have been reviewed by the auditors as required by the Code of Corporate Governance. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended June 30, 2018.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2019. Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 1, 2019 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in this condensed interim financial information.

4 TAXATION

The provision for the quarter ended September 30, 2019 has been made on an estimated basis.

5 BASIS OF PREPARATION

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

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

6 ACCOUNTING POLICIES

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



DIAMOND INDUSTRIES LIMITED

7 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of shares			Un-Audited	Audited
September 30, 2019	June 30, 2019		September 30, 2019	June 30, 2019
Numbers	Numbers		Rupees	Rupees
6,000,000	6,000,000	Fully paid in cash	60,000,000	60,000,000
3,000,000	3,000,000	Fully paid bonus shares	30,000,000	30,000,000
<u>9,000,000</u>	<u>9,000,000</u>		<u>90,000,000</u>	<u>90,000,000</u>

8 Due To Related Parties

	Un-Audited	Audited
	September 30, 2019	June 30, 2019
	Rupees	Rupees
Others	131,119,608	137,297,971
	<u>131,119,608</u>	<u>137,297,971</u>

This amount is due against arrangement to pay off the outstanding liability of Allied Bank Limited. No terms and conditions /repayment schedule has been defined as at the reporting date and is payable on demand.

9 CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies from the annual financial statements of the company for the year ended June 30, 2019

10 PROPERTY, PLANT AND EQUIPMENT

	Un-Audited	Audited
	September 30, 2019	June 30, 2019
	Rupees	Rupees
Property, Plant And Equipment	<u>183,576,314</u>	<u>173,838,698</u>
Book value at the beginning of the period	173,838,698	186,822,186
Add:		
Depreciation charged during the period	<u>(2,973,169)</u>	<u>(12,983,488)</u>
	<u>170,865,529</u>	<u>173,838,698</u>
Allocation of Depreciation		
Cost of Goods Sold	1,877,695	8,345,313
Administrative Expenses	<u>1,095,474</u>	<u>4,638,175</u>
	<u>2,973,169</u>	<u>12,983,488</u>

11 LONG TERM INVESTMENT

Investment in related parties:

-under equity method

Diamond Polymers (Pvt.) Ltd

Total

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

12 STOCK IN TRADE

Raw Materials	-	8,415,705
Less: Provision for slow moving stock	-	-
	-	8,415,705
Work-in-process & finished goods	-	-
	-	<u>8,415,705</u>



DIAMOND INDUSTRIES LIMITED

13 COST OF SALES

	Quarter Ended	
	September 30, 2019	September 30, 2018
	Rupees	Rupees
Cost of goods manufactured	8,415,706	-
Opening stock of work-in-process & finished goods	-	-
	<u>8,415,706</u>	<u>-</u>
Closing stock of work-in-process & finished goods	-	-
	<u>8,415,706</u>	<u>-</u>

14 EARNING PER SHARE

Profit / (loss) after taxation	<u>3,290,312</u>	<u>(21,300,522)</u>
	Number of shares	
Issued, subscribed and Paid up Capital	9,000,000	9,000,000
Earnings / (loss) per share	0.37	(2.37)

15 TRANSACTIONS WITH RELATED PARTIES

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

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

Detail of transactions with related parties;

	Un-Audited September 30, 2019 Rupees	Audited June 30, 2019 Rupees
Sales to related parties:		
Diamond Tyres Limited	9,229,744	-

16 GENERAL

16.1 Figures have been rounded off to the nearest rupee.

16.2 This financial information was authorized for issue on 28th October, 2019 by the board of directors of the Company.

Chief Executive

Chief Financial Officer

Director