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CORPORATE PROFILE

BOARD OF DIRECTORS

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

COMPANY SECRETARY

- Mr. Zahoor Ahmad

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

LEGAL ADVISOR

- A.K. Minhas Law Associates

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

FACTORY

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

PRINCIPLE OFFICE

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

SHARE REGISTRAR

- M/s Corplink (Pvt) Limited
Wings Arcade, 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, 2018 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:

1. To confirm the minutes of Annual General Meeting held on 31st October, 2017.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended 30th June, 2018 together with the Auditors' Report and Directors' Report thereon.
3. To appoint External Auditors for next financial year ending June 30, 2019 and to fix their remuneration. The retiring auditors, being eligible have offered themselves for reappointment. Audit Committee of the Board has also recommended for re- appointment of M/s SARWARS Chartered Accountants, office# 12-14, 2nd Floor, Lahore Centre, 77-D, Main Boulevard, Gulberg-III, Lahore, as Auditors of the company for next financial year ending June 30, 2019.
4. To consider any other transactions with the permission of the chair.

BY ORDER OF THE BOARD

ZAHOOR AHMAD
Company Secretary

Lahore: 05-10-2018

Notes:

1. The share transfer books of the Company will remain closed from October 20, 2018 to October 27, 2018 (both days inclusive). Transfers received at the office of the Company's Registrars, Messrs CORPLINK (PVT) LTD, Wing Arcade, I-K, Commercial Area, Model Town, Lahore by close of business on October 19, 2018, will be treated in time.
2. A member entitled to attend and vote at the Meeting, may appoint another member as his / her proxy to attend, speak and vote on his/her behalf. Proxies effective must be received at the office of the company not less than 48 hours before holding of meeting.
3. 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.
4. CDC account holders have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by SECP.
5. 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.

6. 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, are hereby once again requested to submit the same without further delay.
7. The shareholders are advised to notify to the company's Share Registrar for any change in their addresses immediately and if applicable provide their non-deduction of Zakat Declaration Form.
8. In accordance of SECP Notification SRO 787 (I)/2014 dated September 8, 2014, all shareholders who wish to receive soft copy of Annual Report are requested to send their e-mail addresses to company or its Share Registrar.
9. In order to make process of cash dividend more efficient, SECP has initiated e-dividend mechanism through Notice No. 8(4)SM/CDC/2008 dated 05 April, 2013. The provision of Section 242 of the Companies Act, 2017 required that all listed companies to pay any dividend through electronic mode directly into the bank account of the entitled shareholder. Accordingly, the shareholder holding physical shares are requested to provide to Registrar of Company, the electronic dividend mandate on E-Dividend Form and in case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the company.
10. In pursuant to section 244 of the Companies Act 2017 and to ensure the compliance of SECP Direction No. 16 of 2017 dated 07 July 2017, the shareholders, who could not collect their dividend / physical shares are requested to contact our share registrar to collect / enquire about their unclaimed dividend or shares if any.

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, 2018.

Financial Highlights----2018

	(Rs. in millions)
- Sales (Net)	96.742
- Gross Profit/(Loss)	2.846
- Operating Expenses	(29.440)
- Other Operating Income	24.268
- Loss from Operations	(2.326)
- Financial Cost	(1.797)
- Share of Profit/(Loss) of Associated Cos.	(4.419)
- Profit / (Loss) before taxation	(8.543)
- Taxation	
Current	= (1.645)
Deferred Tax	= <u>28.233</u>
- Profit/(Loss) after taxation	26.587
	18.044

YEAR IN REVIEW:

As the company has rented out its manufacturing facility alongwith allied machinery to its associated concern M/s Diamond Tyres Limited. During the year under review, the company has settled all its liabilities towards Allied Bank Limited and consequently pending cases / litigations have been withdrawn / to be withdraw amicably by both parties.

The management intended to resume its business activities but due to non-clearance of eCIB report of State Bank, (Although Allied Bank liabilities have been paid), Increase in KIBOR rates coupled with sharp decline in Pak rupees value against US dollar, unprecedented price hike in rates of raw materials and increased working capital requirements, for now, it is not feasible to restart its core business activities. Hence, the management is of the view that the company is no longer a going concern, therefore, the financials for the period ended June 30, 2018 has been prepared on the basis of estimated realizable / settlement value of liabilities and assets. Company has incurred certain operating expenses resulting in operating Loss of Rs. (8.543) million as compared to Rs. (620.202) million of the preceding year and Profit /(Loss) after taxation is Rs. 18.044 million as against of Rs. (630.059) million of the corresponding year.

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. 2.00 as compared to Rs. (70.01) for the immediate preceding year.

PATTERN OF SHAREHOLDING:

Pattern of shareholding is annexed to this report.

BOARD MEETINGS:

During the year under review twelve 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	12
4.	Mr Muhammad Sameer	Director	08
5.	Mr Abdul Shakoor	Director	10
6.	Mr Hashim Aslam Butt	Director	11
7.	Mr. Mohib Hussain	Director	10
8.	Mr. Qaiser Saleem Khan	Director	09
9.	Mr. Imran Kabir	Director	08

Board Audit Committee:

The Board Audit Committee of the Company is in place comprises 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 of the company is continuously monitoring the macroeconomic environment of the country and will resume its core activities upon clearance of ECIB, availability of financing facilities and stability of economic situation. The directors shall try to exploit every opportunity available in market to maximize the shareholders wealth and earn profit without taking unnecessary risk.

AUDITORS:

M/s SARWARS 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 for the appointment of M/s SARWARS, Chartered Accountants as the statutory auditors of the Company for the financial year ending June 30, 2019. The Board of Directors has endorsed this recommendation.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The directors of the company are pleased to confirm that the Company has made compliance of provisions of the Code of Corporate Governance set out in the Regulation No. 5.19 of Listing Regulations of Pakistan Stock Exchange Limited issued by the Securities and Exchange Commission of Pakistan and there is no material departure from the best practices as detailed in the listing regulations. Our statements on corporate and financial reporting are as follows:

- The Financial statements, prepared by the management of the Company present a fair state of affairs of the Company, results of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained as required under the Companies Act, 2017;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Accounting / Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and there is no departure there from;
- The system of internal control is sound and has been effectively implemented and monitored;
- There are significant doubts about the company's ability to continue as a going concern;
- Financial highlights for the last 6 years are annexed.

QUALIFICATION OF AUDITORS' REPORT:

As regard to qualification No1. The company has rented out its manufacturing facility alongwith allied machinery to its associated concern M/s Diamond Tyres Limited. Initially this step was taken to keep the plant & Machinery in running condition and to earn rental income to meet the operating expenses of the company. All the value (Assets & Liabilities) appearing in the financials have been taken at their fair Market value. The board is of opinion that the property plant & equipment were valued by an independent valuator M/s Luckyhiya Associates (Pvt) Limited on December 31, 2014 and the plant & Allied Machinery is in sound working condition and due to strengthening of dollar value, the sale value of machinery have increased, therefore the value in use of these assets have not impaired.

Regarding qualification B, The Management has already circulated the notice to the shareholders of the company to proceed further in compliance and to deposit un-claim dividend of Rs. 432,544 into Govt Treasury in due course of time.

As regard to point No. C, the board is of opinion that the amount of Rs. 174,793,607 is not an income earned by the company, infact it is an adjustment / reversal entry in lieu of principal amount, Markup & cost of funds accrued in the last year financial statements relating to Allied Bank and thus need not to be reported directly in profit and loss statement.

Reference qualification No. D, for non-provisioning of entry disclosed at note 8 to the financial statements, represents the amount due to the company but wrongly withheld by the LSE because of an illegal order of temporary nature passed by the SEC on 12/06/2000 and thereafter the SECP has simply forgotten of its order. The amount is held by the LSE which is waiting for a final order of SECP. In view of the circumstances the board is of opinion that there is no need for making any provision in this respect.

ACKNOWLEDGMENT:

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:- 04th October, 2018

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز: ڈائمنڈ انڈسٹریز لمیٹڈ کے ڈائریکٹرز 30 جون 2018ء کو ختم ہونے والے سال کیلئے آپ کو ڈائریکٹرز رپورٹ مع آڈیٹرز رپورٹ اور آڈٹ شدہ مالیاتی بیانات پیش کرنے پر خوش محسوس کرتے ہیں۔

(روپے بلین میں)

96.742

سیلز

2.846

مجموعی منافع

(29.440)

انتظامی اخراجات

24.268

آپریٹنگ آمدن

(2.326)

انتظامی نقصان

(1.797)

مالیاتی خرچہ

(4.419)

اشتراکی منافع / (نقصان) ایسوسی ایٹڈ کمپنی سے

(8.543)

منافع / (نقصان) قبل از ٹیکس

ٹیکس

(1.645)

موجودہ

26.587

28.233

ملتی ٹیکس

18.044

منافع / (نقصان) بعد از ٹیکس

جائزہ سال میں: جیسا کہ کمپنی نے اپنی مینوفیکچرنگ سہولیات بمع مشینری اپنی ایسوسی ایٹڈ کمپنی (ڈائمنڈ ٹائرز لمیٹڈ) کو کرائے پر دی ہیں۔ موجودہ سال میں کمپنی نے الائیڈ بینک کے ساتھ اپنے تمام واجبات طے کر لئے ہیں اور نتیجتاً تمام زیر التواء مقدمات / کیسیز کو دونوں پارٹیز کی طرف سے خوش اسلوبی سے دستبردار کر لیا گیا ہے۔

منجمنٹ اپنی کاروباری سرگرمیوں کو دوبارہ شروع کرنا چاہتی تھی مگر سیٹ بینک کی ECIB رپورٹ کی نان کلیئرنس (اگرچہ الائیڈ بینک کے واجبات ادا کر دیئے ہیں)، کابہر 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۔ لہذا مینجمنٹ کا خیال ہے کہ کمپنی مستقبل میں چلنے والی نہیں ہے لہذا کمپنی نے 3 جون 2018ء کو ختم ہونے والے دورانیے کیلئے مالی واجبات اور اثاثوں کا تخمینہ وصولی/تصفیہ قدر کی بنیاد پر تیار کیا گیا ہے۔

کمپنی نے کچھ انتظامی اخراجات ادا کئے ہیں۔ جسکے نتیجے میں انتظامی نقصان، پچھلے سال (620.202) ملین روپے کے مقابلے میں (8.543) ملین روپے رہا۔ اور نفع/(نقصان) بعد از ٹیکس پچھلے سال (630.59) ملین روپے کے مقابلے میں 18.044 ملین روپے رہا۔

وژن اور مشن : کمپنی کے وژن اور مشن کی عکاسی کرتی رپورٹ منسلک ہے۔

فی حصص شیئر : فی حصص آمدنی/(نقصان) 30 جون 2018ء میں پچھلے سال (70.01) روپے فی حصص کے مقابلے میں 2.00 روپے فی حصص رہا۔

پیٹرن آف شیئر ہولڈنگ : پیٹرن آف شیئر ہولڈنگ رپورٹ کے ساتھ منسلک ہے۔

بورڈ میننگ : اختتامی سال 30 جون 2018ء میں بورڈ آف ڈائریکٹرز کی بارہ میننگز منعقد کی گئی ہیں۔ اور ڈائریکٹرز کی حاضری درج ذیل ہے۔

سیریل نمبر	نام	عہدہ	حاضری کی تعداد
۱۔	مسٹر افتخار شفیع	چیف ایگزیکٹو	12
۲۔	مسٹر محمد سمیر	ڈائریکٹر	08
۳۔	مسٹر عبدالشکور	ڈائریکٹر	10
۴۔	مسٹر ہاشم اسلم بٹ	ڈائریکٹر	11
۵۔	مسٹر مہوب حسین	ڈائریکٹر	10
۶۔	مسٹر قیصر سلیم خان	ڈائریکٹر	09
۷۔	مسٹر عمران کبیر	ڈائریکٹر	08

بورڈ آڈٹ کمیٹی : کمپنی کی بورڈ آڈٹ کمیٹی میں ایک غیر جانبدار ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز، جن میں ایک چیئر مین بورڈ آڈٹ

کمپنی ہے، موجود ہیں۔ بورڈ آڈٹ کمیٹی کے ممبرز کے نام اس انیول رپورٹ کی کارپوریٹ پروفائل میں درج ہیں۔ اس سال کمیٹی کی پانچ میٹنگز منعقد کی گئی ہیں۔ CCG کی ضرورت کے مطابق، کمیٹی نے کواٹری، ہاف ایئرلی اور سالانہ مالی بیانات اور دیگر امور کا جائزہ لیا ہے۔

افراد و وسائل اور معاوضہ کمیٹی : افرادی وسائل اور معاوضہ کی کمیٹی موجود ہے اور یہ ایک غیر جانبدار ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز جن میں سے ایک کمیٹی کا چیئرمین ہے پر مشتمل ہے۔ کمیٹی کے ممبرز کے نام اس رپورٹ کی کارپوریٹ پروفائل میں درج ہیں۔ کمیٹی افرادی قوت اور ان کے معاوضے کا جائزہ لیتی ہے اور حفاظتی انتظامات اور ماحولیاتی قیادت کو مستقل کرتی ہے۔ کمیٹی بورڈ کو سفارش کرتی ہے کہ وہ انتظامی پالیسیوں، معاوضے کے معاملات (ریٹائرمنٹ کی سہولیات)، سی او او، سی ایف او، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ اور وہ تمام انتظامی معاملات جو ڈائریکٹری سی ای او کو رپورٹ ہوتے ہیں کا جائزہ کرے، غور کرے اور منظور کرے۔

منتقلی کی قیمتوں کا تعین : کمپنی مکمل طور پر شاخ ایکسچینج کی فہرست سازی کے ضابطے میں موجود ٹرانسفر پرائسنگ کے بہترین طریقوں پر عمل پیرا ہے۔

ضابطہ اخلاق : ہمارا ضابطہ، ایمانداری، سالمیت، صداقت و عزت کے اصولوں کی بنیاد پر مشترکہ اقدار کے ایک سیٹ پر بنایا گیا ہے۔

مستقبل کے نقطہ نظر : کمپنی کی انتظامیہ مسلسل ملک کی مجموعی معاشی ماحول کی نگرانی کر رہی ہے۔ اور اپنی کاروباری سرگرمیوں کو ECIB کی کلیئرس، مالی سہولیات کی دستیابی معاشی صورتحال کے استحکام کی بنیاد پر دوبارہ شروع کرے گی۔

آڈیٹرز : سرورز چارٹرڈ اکاؤنٹنٹس کمپنی کے آئندہ سالانہ اجلاس کے اختتام پر ریٹائرڈ ہو رہے ہیں۔ اور دوبارہ تقرری کیلئے خود کو پیش کرنے کے اہل ہیں۔ آڈٹ کمیٹی نے سرورز چارٹرڈ اکاؤنٹنٹس کو 30 جون 2019 کو ختم ہونیوالے مالی سال کیلئے کمپنی کے قانونی آڈیٹرز کی تقرری کو پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے اس سفارش کی تائید کی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک : کمپنی کے ڈائریکٹرز خوش ہیں کہ کمپنی نے سیکورٹیز اور ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ شاخ ایکسچینج کی لسٹنگ ریگولیشنز نمبر 5.19 میں درج لسٹنگ ریگولیشنز کی تعمیل کی ہے۔ لسٹنگ قواعد و ضوابط میں دی گئی بہترین پریکٹس سے کوئی بڑا انحراف نہیں ہے۔ کارپوریٹ اور مالیاتی رپورٹنگ پر ہمارے بیانات درج ذیل ہیں۔

(۱) کمپنی کی مینجمنٹ کی طرف سے تیار کردہ مالی بیانات، کمپنی کے امور، اسکے آپریٹسز، فلووز، اور چیئرمین ان ایکویٹی کی ایک منصفانہ شکل ہے۔ اور کمپنی کی اکاؤنٹس کی کتابوں کو کمپنیز ایکٹ 2017 کی ضرورت کے مطابق رکھا گیا ہے۔

(۲) مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا اور اکاؤنٹنگ اسٹیمینٹس مناسب اور عقلندانہ فیصلوں پر منحصر ہیں۔

(۳) انٹرنیشنل اکاؤنٹنگ اور مالیاتی رپورٹنگ معیارات جو کہ پاکستان میں قابل عمل ہیں، مالیاتی بیانات کی تیاری میں پیروی کئے گئے ہیں اور کوئی انحراف نہیں ہے۔

(۴) اندرونی کنٹرول کے نظام کو مضبوط اور موثر طریقے سے نافذ کیا گیا اور نگرانی کی گئی ہے۔

(۵) کمپنی کے مستقبل میں چلنے کی صلاحیت کے بارے میں اہم شکوک و شبہات ہیں۔

(۶) گزشتہ چھ سال کی مالیاتی جھلکیاں منسلک ہیں۔

کوالیفیکیشن آف آڈیٹرز رپورٹ : کوالیفیکیشن نمبر ۱ کے لحاظ سے کمپنی نے اپنی مینوفیکچرنگ سہولیات بمع مشینری اپنی ایسوسی ایٹ کمپنی (ڈائنمڈ ٹائرز لمیٹڈ) کو کرائے پر دی ہیں۔ ابتداء میں یہ قدم پلانٹ اور مشینری کو چلتی حالت میں لانے کیلئے کیا۔ اور کرائے کی آمدنی حاصل کی جائے تاکہ کمپنی کے انتظامی اخراجات پورے کئے جائیں۔ مالیات میں ظاہر ہونیوالے تمام واجبات اور اثاثوں کی قیمتیں جائز مارکیٹ قیمتوں سے حاصل کی گئی ہیں۔

کوالیفیکیشن بی کے حوالے سے، مینجمنٹ نے کمپنی کی حصص داروں کو نوٹس جاری کر دیا ہے کہ پیروی کرنے میں مزید آگے بڑھا جائے اور غیر دعویدار ڈیویڈنڈ جسکی مالیت 43,2544 روپے ہے سرکاری خزانے میں وقت پر جمع کرائے۔

پوائنٹ سی کے حوالے سے بورڈ کا خیال ہے کہ 174,793,607 روپے کمپنی کی کمائی شدہ آمدنی نہیں ہے۔ درحقیقت یہ ایک اصل رقم، مارک اپ اور کوسٹ آف فنڈ کی مد میں ایڈجسٹمنٹ انٹری ہے جو کہ پچھلے مالیاتی بیانات میں الائیڈ بینک سے متعلق ایکروہونے پر کی گئی تھی اور نفع / نقصان کے بیان میں ڈائریکٹری رپورٹ نہیں ہونی چاہیے۔

مالیاتی بیانات کے نوٹ نمبر 8 میں ظاہر کی گئی نان پروویژننگ کی انٹری بتاتی ہے کہ رقم کمپنی کو ڈیوٹی مگر LSE نے غلطی سے وڈہیلڈ کر لی جس کی وجہ SECP کی طرف سے 12/06/2000 کی جاری کردہ ایک غیر قانونی حکم نامہ تھا اور اس کے بعد SECP آسانی سے اس حکم نامہ کو

بھول گئی۔ رقم LSE میں موجود ہے جو SECP کی طرف سے حتمی حکم نامہ انتظار کر رہی ہے۔ ان حالات کے تناظر میں بورڈ کا یہ خیال ہے کہ اس حوالے سے کسی قسم کی کوئی پرووژن بنانے کی ضرورت نہیں ہے۔

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


افتخار شفیع
چیف ایگزیکٹو

بتاریخ: 4 اکتوبر 2018ء

لاہور

VISION / MISSION STATEMENT
AND
CORPORATE STRATEGY

Vision

The Company's vision is to be a market leader as manufacturing organization and to play a meaningful role on sustainable basis in the economy of Pakistan in the best possible manners with customer satisfaction as its premier goal.

Mission

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 for the customers and proving a stimulating environment to all the employees for their growth and development and fostering a feeling of job satisfaction, by following the highest of ethical and fiduciary standards and serving the interest of the society.

Corporate strategy

To produce and market high quality products, consistently exceeding customer expectations, ensure right usage of company's resources, create employment opportunities and protect the interest of stakeholders.

Note: The company is in process of restructuring hence mission, vision and corporate strategy will be followed and implemented in letter and spirit when restructuring process is completed and starts its production and sales processes.



IFTIKHAR SHAFFI
Chief Executive

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

Name of Company:- DIAMOND INDUSTRIES LIMITED

Year Ended:- 30-06-2018

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 7
 - b) Female 0
2. The composition of Board is as follows:

Category	Names
Executive Director	Mr. Iftikhar Shaffi
Independent Director	Mr. Qaiser Saleem Mr. Imran Kabir
Non-Executive Directors	Mr. Muhammad Sameer Mr. Hashim Aslam Butt Mr. Abdul Shakoor Mr. Mohib Hussain

3. The directors have confirmed that none of them is serving as a director on more than five 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
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 of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. 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 15 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 40 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. CFO 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 Sameed	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 Sameed	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 committee were duly been held as and when required but at least once of every quarter before approval of financial statements of the company.
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 or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP
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 other requirements of the Regulations have been complied with.



IFTIKHAR SHAFFI
Chief Executive

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, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Diamond Industries Limited for the year ended June 30, 2018, in accordance with the requirements of regulation 40 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 require 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 and also ensure compliance with the requirements of section 208 of the "Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 June 30, 2018.



SARWARS
CHARTERED ACCOUNTANTS

Place: Lahore
Date: October 04, 2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DIAMOND INDUSTRIES LIMITED****Report on the Audit of the Financial Statements****Adverse Opinion**

We have audited the annexed financial statements of **DIAMOND INDUSTRIES LIMITED** (the Company), which comprises the statement of financial position as at June 30, 2018, and the statement of profit or loss and other 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 significant accounting policies 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 purpose of the audit.

In our opinion, because of the effect of the matters described in paragraphs (A) to (D) *Basis for Adverse Opinion* section of our report and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

- (A) We draw attention to note 2 to the financial statements, which states that the company is no longer a going concern, therefore, these financial statements have been prepared on the basis of estimated realisable / settlement values of assets other than fixed assets and liabilities respectively. The management has estimated the realisable / settlement values equivalent to historical cost. The management is of the view that the fixed assets valued on dated December 31, 2014 need no further revaluation.

We are of the opinion that the management's estimates may need revision as changes occur in the circumstances on which the estimates are based or as a result of new information. Hence, the values declared at which assets will be realised and liabilities will be settled may be different from those carried in these financial statements.

- (B) Unclaimed dividend of Rs. 432,544 (overdue) of previous years has not been deposited into the government treasury nor has any notification been issued to shareholders.
- (C) The company has classified the financial liabilities, written off, amounting to Rs. 174,793,607 as

part of statement of other comprehensive income rather than disclosing the same in the statement of profit or loss during the year. The company is of the opinion that the classification has been correctly reported because of unabsorbed losses. We are of the opinion that the company has not complied with provisions of de-recognition of financial liabilities as per IFRS 9.

- (D) As stated in note 21 and note 8 to the financial statements, no provision have been made for receivables pending final settlement.

We conducted our audit in accordance with the 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 adverse 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. In addition to the matter described in the *Basis for Adverse Opinion* section we have determined the matters described below to be the key audit matters to be communicated.

Following are the Key Audit Matters:

S. No. Key Audit Matters	How the matter was addressed in our audit
(i) First time application of third and fourth schedules to the companies Act, 2017 As referred to in note 2.2 to the annexed financial statements, the third and fourth schedule to the Companies Act, 2017 became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018.	Our audit procedures included the following: Considering the management's process to identify the necessary amendments required in the Company's financial Statements. Assessing the adequacy and appropriateness of the additional disclosures and changes in the annexed financial statements based on the new requirements.

The Companies Act, 2017 (including third and fourth schedule) forms an integral part of the approved financial reporting standards framework as applicable to the Company, prescribes the nature and content of disclosures in relation to various elements of the financial statements. We consider it as a key audit matter in view of the extensive impacts in the financial statements due to the Companies Act, 2017.	
(ii) Valuation and presentation of loan from associated undertaking and others Refer Note 15 of the accompanying financial statements the company has taken loan from associated company and others to settle its financial liability of Allied Bank Limited. The loan representing 68% of the total liabilities. These loans are interest free with undetermined repayment schedule. As this liability is significant therefore inherent risk involved is high.	Our audit procedures included the following: Our key audit procedure with respect to valuation and existence included inquiry from management and confirmation circulation to the party. We considered the adequacy of presentation and disclosure as per the IAS 24. We also evaluated the financial status through analysis of its financial statements.
(iii) Repayment of loan to Allied Bank limited Refer Note 13 of the accompanying financial statements the company has written off the entire liability and accrued interest paying Rs. 137,297,971 towards the final settlement of liability under litigation. Both the company and the bank agreed to withdraw all their pending allegations, claims, counter claims, litigation against each other. Furthermore, the bank confirmed that the company has discharged all its obligations to the entire satisfaction of the bank as per the settlement agreement that no other amounts and /or obligations	Our key audit procedure with respect to rights and obligation included inquiry from management and confirmation sent to bank and reviewing the agreement of net settlement of loan liability. We circulated confirmation to legal advisor of the company to confirm any pending litigation against the company with respect of ABL loan.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but those 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 reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and 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.

Board of directors are 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 IASs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identity and assess the risk 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. When such use is inappropriate and management uses an alternative basis of accounting, we conclude whether the alternative bases used by management are acceptable in the circumstances. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use, refer to note no. 2 annexed. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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 those charged with governance 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Form the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- (a) proper books of accounts 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of accounts and returns;
- (c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on audit resulting in this independent auditor's report is
Nazir Sheikh FCA

Mr. Asim



SARWARS
CHARTERED ACCOUNTANTS

Place: Lahore
Date: October 04, 2018

DIAMOND INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

ASSETS	Note	2018		Restated 2017	
		Book value	Estimated Realisable/ settlement value	Book value	Estimated Realisable/ settlement value
Cash and bank balances	5	4,006,996	4,006,996	6,124,935	6,124,935
Trade Debts	6	17,774,569	17,774,569	71,177,421	71,177,421
Loan and Advances	7	56,115,285	56,115,285	168,430,657	168,430,657
Other Receivables	8	1,969,309	1,969,309	42,044,309	42,044,309
Stock in trade	9	8,415,705	8,415,705	97,797,095	97,797,095
Long Term Deposits	10	330,885	330,885	330,885	330,885
Investments Under equity Method	11	65,942,665	65,942,665	70,362,244	70,362,244
Investments available for sale	12	82,648,866	82,648,866	73,927,925	73,927,925
Property, Plant and Equipment		186,822,186	186,822,186	200,994,572	200,994,572
TOTAL ASSETS		424,026,466	424,026,466	731,190,044	731,190,044
LIABILITIES					
Trade and other payables	13	37,707,191	37,707,191	171,677,251	171,677,251
Unclaimed Dividend		432,544	432,544	432,544	432,544
Provision For Allied Bank Case		-	-	352,166,578	352,166,578
Borrowings	14	-	-	97,401,270	97,401,270
Due to related parties and others	15	138,978,187	138,978,187	-	-
Deferred liabilities	16	26,134,218	26,134,218	78,879,440	78,879,440
Provision for taxation	17	990,701	990,701	9,028,910	9,028,910
TOTAL LIABILITIES		204,242,841	204,242,841	709,585,992	709,585,992
NET ASSETS		219,783,625	219,783,625	21,604,052	21,604,052
REPRESENTED BY:-					
Authorized share capital		120,000,000	120,000,000	120,000,000	120,000,000
12,000,000 Ordinary shares of Rs. 10/- each					
Issued, subscribed and Paid Up Capital	18	90,000,000	90,000,000	90,000,000	90,000,000
Surplus on revaluation of fixed assets	19	146,268,076	146,268,076	154,153,373	154,153,373
Reserves	20	(16,484,451)	(16,484,451)	(222,549,321)	(222,549,321)
Share Holders' Equity		219,783,625	219,783,625	21,604,052	21,604,052
Contingencies & Commitments	21	-	-	-	-
		219,783,625	219,783,625	21,604,052	21,604,052

The annexed notes from 1 to 37 form an integral part of these financial statements

Certified True Copy
DIAMOND INDUSTRIES LIMITED


Chief Executive


Chief Financial Officer


Director

DIAMOND INDUSTRIES LIMITED
STATEMENT PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018

			Restated
	Note	June 30, 2018	June 30, 2017
		Rupees	Rupees
Sales - net	22	96,742,285	940,883,814
Cost of sales	23	(93,895,780)	(927,308,905)
Gross profit		<u>2,846,505</u>	<u>13,574,909</u>
Selling and Distribution expenses	24	-	(104,542,315)
Depreciation for the year		(14,187,266)	(16,987,545)
Administrative expenses	25	(15,253,661)	(37,284,323)
		<u>(29,440,928)</u>	<u>(158,814,183)</u>
		(26,594,423)	(145,239,274)
Other Charges		-	472,533,106
Other Operating income	26	24,268,057	6,624,695
Loss from Operations		<u>(2,326,366)</u>	<u>(611,147,685)</u>
Finance Cost	27	(1,797,140)	(11,434,229)
Share of profit/(loss) of associated companies		(4,419,579)	2,379,547
Loss before Taxation		<u>(8,543,085)</u>	<u>(620,202,368)</u>
TAXATION	28		
- Current		(1,645,531)	(10,028,910)
- Deferred Tax		28,233,056	171,699
		<u>26,587,525</u>	<u>(9,857,211)</u>
Profit / (Loss) after Taxation		<u><u>18,044,441</u></u>	<u><u>(630,059,579)</u></u>
Earning per Share	29	<u><u>2.00</u></u>	<u><u>(70.01)</u></u>

The annexed notes from 1 to 37 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, 2018

	June 30, 2018 Rupees	Restated June 30, 2017 Rupees
Profit / (Loss) for the year	18,044,441	(630,059,579)
Other Comprehensive Income		
Items that cannot be reclassified to profit and loss account		
Staff Retirement Benefits remeasurement	-	(2,701,006)
Deferred tax related to revaluation surplus	(3,379,415)	(3,681,619)
Long term liabilities written off	174,793,607	-
Items that may be reclassified to profit and loss account		
Unrealized gain / (loss) arising on remeasurement of available for sale investments	8,720,940	(3,274,364)
Unrealized gain arising on remeasurement of long term investment of associated companies	-	217,035
	180,135,132	(9,439,954)
Total Comprehensive Income for the year	<u>198,179,573</u>	<u>(639,499,533)</u>

The annexed notes from 1 to 37 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 JUNE 30, 2018

	June 30, 2018 Rupees	June 30, 2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(8,543,085)	(620,202,368)
Adjustment for Non Cash and other items:		
Depreciation on property, plant and equipment	14,187,266	16,987,545
Share of loss of associated company	6,488,079	(2,379,546)
Un-realized Gain on long term investment	(2,068,500)	-
Provision for gratuity	(27,891,581)	6,285,527
Finance cost	1,797,140	11,434,229
Interest Income	(26,802)	(378,805)
Dividend Income	(2,900,763)	(3,807,606)
Disposal income	(1,991,867)	(445,575)
Cash Flow Before Working Capital Changes	<u>(20,950,112)</u>	<u>(592,506,598)</u>
Working Capital Changes		
(Increase)/Decrease in Current Assets		
Stock in Trade	89,381,390	179,122,487
Trade Debts	53,402,852	(41,751,756)
Loans and Advances	106,808,990	(102,299,874)
Other Receivables	40,075,000	120,366,528
	<u>289,668,232</u>	<u>155,437,384</u>
Increase/(Decrease) in Current Liabilities		
Trade and Other Payables	(311,343,032)	460,516,154
Cash Inflow / (Outflow) From Operations	<u>(42,624,912)</u>	<u>23,446,940</u>
Income tax paid	(4,177,374)	(7,675,132)
Finance cost paid	(1,797,140)	(11,434,229)
Gratuity paid / adjusted	-	(2,894,005)
Net Cash Inflow / (Outflow) From Operating Activities	<u>(48,599,425)</u>	<u>1,443,574</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment	(23,000)	(5,398,500)
Sale proceeds	2,000,000	9,542,310
Interest income	26,802	378,805
Dividend received	2,900,763	3,807,606
Increase in long term deposits	-	(1,440)
Net Cash Generated from /(used in) Investing Activities	<u>4,904,565</u>	<u>8,328,780</u>

CASH FLOW FROM FINANCING ACTIVITIES

Short term borrowings	(97,401,270)	(11,839,160)
Due to Related Parties and others	138,978,187	-
Net Cash Flow from Financing Activities	<u>41,576,917</u>	<u>(11,839,160)</u>
Net (Decrease) in Cash & Cash Equivalents	(2,117,943)	(2,066,807)
Cash & Cash Equivalents at Beginning of the Year	6,124,939	8,191,746
Cash & Cash Equivalents at End of the year	<u>4,006,996</u>	<u>6,124,939</u>

The annexed notes from 1 to 37 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 JUNE 30, 2018

	Share Capital	Revaluation Surplus	RESERVES		TOTAL EQUITY
			CAPITAL	REVENUE	
(Rupees)					
Balance as at 01 July 2016-Audited	90,000,000	162,743,815	27,586,215	380,773,557	661,103,587
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	(8,590,442)	-	8,590,442	-
Profit / (Loss) for the year	-	-	-	(630,059,579)	(630,059,579)
Other comprehensive income for the year	-	-	(5,758,337)	-	(5,758,337)
Balance as at 30 June 2017	90,000,000	154,153,373	21,827,878	(240,695,580)	25,285,671
Balance as at 01 July 2017-Audited	90,000,000	154,153,373	21,827,878	(240,695,580)	25,285,671
Deferred tax related to revaluation surplus charged to Statement of Other Comprehensive Income	-	-	-	(3,681,619)	(3,681,619)
Balance as at 01 July 2017- Restated	90,000,000	154,153,373	21,827,878	(244,377,199)	21,604,052
Incremental depreciation on surplus on revaluation of property, plant & equipment	-	(7,885,297)	-	7,885,297	-
Profit / (Loss) for the year	-	-	-	18,044,441	18,044,441
Other comprehensive income for the year	-	-	8,720,940	171,414,192	180,135,132
Balance as at 30 June 2018	90,000,000	146,268,076	30,548,818	(47,033,269)	219,783,625

The annexed notes from 1 to 37 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, 2018**

1-STATUS AND NATURE OF BUSINESS

The company was incorporated under the Companies Ordinance, 1984 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 Karachi, Islamabad and Lahore Stock Exchanges. The principal activity 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. The company has fixed assets located in Lahore, Rawalpindi and Gadoon. The company at present has leased out its operations / manufacturing unit.

2-GOING CONCERN

- a) The company has leased out its manufacturing facility along with allied machinery to its associated undertaking M/s Diamond Tyres Limited. The lease period has been extended up to December 31, 2018 with mutual consent. The company at present is dependent upon the financial assistance of the associated undertakings. The management is of the view that the company is no longer a going concern, therefore, these financial statements have been prepared on the basis of estimated realisable / settlement value of liabilities and assets, other than fixed assets. The management has estimated the realisable / settlement values equivalent to historical cost. The management is of the view that the fixed assets valued on December 31, 2014 need no further revaluation.
- b) The Company in the year under audit declared a net profit after tax of Rs.18.044 million after charging deferred tax income of Rs. 28.233 million for the year ended June 30, 2018, the deferred tax income when excluded (see note no. 28) the company will report a net loss of Rs. 8.543 million. The company's net equity after including the revaluation surplus of fixed assets of Rs. 146.268 million and excluding deferred tax income result at Rs. 193.950 million (2017: Restated Rs. 21.604 million). The total liabilities of Rs. 204.243 million as at the year end when reclassified in their liquidity order, the total liabilities will exceed the current asset of Rs. 170.931 million by RS. 32.960 millions. 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 historical values at the year end as fair values other than those specifically declared.

2.1-RECOGNIZED FAIR VALUE MEASUREMENTS

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at balance sheet date.

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.

The management's estimates may need revision as changes occur in the circumstances on which the estimates are based or as a result of new information. Hence, the values declared at which assets will be realised and liabilities will be settled may be different from those carried in these financial statements.

The fair values assigned to the assets and liabilities are as under;

	2018		2017
	Book Value	Estimate Realizable/ Settlement Value	Book Value
	Rupees	Rupees	Rupees
ASSETS			
Cash and bank balances	4,006,996	4,006,996	6,124,938
Investment available for sale	82,648,866	82,648,866	73,515,230
Other receivables	1,969,309	1,969,309	42,044,309
Loans and advances	56,115,285	56,115,285	168,430,657
Trade debts	17,774,569	17,774,569	71,177,421
Stock in trade	8,415,705	8,415,705	97,797,095
Security deposits	330,885	330,885	330,885
Investments	65,942,665	65,942,665	70,362,244
Property, plant and equipment	186,822,186	186,822,186	200,994,572
TOTAL ASSETS	424,026,466	424,026,466	731,190,044
LIABILITIES			
Trade and other payables	38,139,735	38,139,735	524,276,373
Borrowings	138,978,187	138,978,187	97,401,270
Employees benefit	-	-	27,891,582
Deferred income tax	26,134,218	26,134,218	50,987,859
Provision for taxation	990,701	990,701	9,028,910
TOTAL LIABILITIES	204,242,841	204,242,841	709,585,994
NET ASSETS	219,783,625	219,783,625	21,604,052

The management is of the considered opinion that the book values as at June 30, 2018 reflect true and fair values of the total assets and liabilities. The company has not carried any revaluations of its fixed assets and considers that there are no major factors that could affect the valuation of fixed assets determined by the independent valuers on December 31, 2014. Therefore no valuation of fixed assets has been carried out as at June 30, 2018.

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

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

3- SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the approved accounting standards and other IFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

3.1-Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at balance sheet date.

3.2-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.

3.3-Inventories:

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

3.4-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.

3.5-Provision for doubtful debts

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

3.6- Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 16 to the financial statements for valuation of present value of defined benefit obligations. The company has not provided any staff retirement benefits for the current year. The company in the year June 30, 2018 transferred all its eligible employees and obligations to the associated company. The company is of the view that in view of the leasing out of the operations of the company the current employees do not meet the minimum qualification for employee's retirement benefits.

3.7- Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/ non-occurrence of the uncertain future events.

3.8- Liabilities

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

4-SUMMARY OF SIGNIFICANT POLICIES**4.1- Basis of Preparation**

These financial statements have been prepared on fair value basis; (See Note (2C) also)

- The Land, Building, Plant and machinery which is stated on revalued amount
- Investment in associates accounted for using applicable method
- Financial instruments which are carried at fair value.
- The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at balance sheet date.

4.2-Standards, interpretation and amendments to approved accounting standards that are effective in current year

The accounting policies adopted in the preparation of these financial statements are consistent with those of previous financial year except as described below:

New/Revised Standards, Interpretation and Amendments

The Company has adopted the following revised standards, amendments and interpretation of IFRSs which became effective for the current year:

IAS 19- Employee Benefits-(Amendments) Defined Benefit Plans: Employee Contributions

IAS 32- Financial instruments: Presentation-(Amendments)-Offsetting Financial Assets and Financial Liabilities

IAS 36- Impairments of Assets-(Amendments)-Recoverable Amounts Disclosures for Non-Financial Assets

IAS 39 Financial Instruments: Recognition and Measurement- (Amendment) - Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 Levies

Improvements to Accounting Standards Issued by the IASB

IFRS 2 Share based payments-Definitions of vesting conditions

IFRS 3 Business Combinations-Accounting for contingent consideration in a business combination

IFRS 3 Business Combination- Scope exception for joint ventures

IFRS 8 Operating Segments-Aggregation of operating segments

IFRS 8 Operating Segments-Reconciliation of total of the reportable segments' assets to the entity's assets

IFRS 13 Fair Value Measurements-Scope of paragraph 52 (portfolio exception)

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets- Revaluation method- proportionate

Restatements of accumulated depreciation/ amortization

IAS 24 Related Party Disclosure – Key management personnel and applicable accounting policies

IAS 40 Investment Property – Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, improvements to accounting standards and interpretations will not have any effect on the financial statements in the period of initial application and relating to disclosure of financial statements without effecting consistent accounting policy subject to applicability.

4.3-Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretations:

Standards or interpretation	Effective date (annual period beginning on or after)
IFRS 10- Consolidated Financial Statements	January 01,2018
IFRS 10- Consolidated Financial Statements, IFRS 12- Disclosure Of Interests In Other Entities and IAS 27- Separate Financial Statements-Investments Entities (Amendments)	January 01,2018
IFRS 10- Consolidated Financial Statements, IFRS 12- Disclosure Of Interests In Other and Entities IAS 27- Separate Financial Statements-Investments Entities: Applying these Consolidations Exceptions (Amendments)	January 01,2018
IFRS 10- Consolidated Financial Statements and IAS 28 Investment in Associate and Joint Ventures- Sale or Contribution of Assets between an investor and its Associate or Joint Venture (Amendment)	January 01,2018
IFRS 11- Joint Arrangements	January 01,2017
IFRS 11- Joint Arrangements-Accounting for Acquisition of Inter est in Joint Operations (Amendment)	January 01,2017
IFRS 12- Disclosure of Interest in Other Entities	January 01,2017
IFRS 13- Fair Value Measurement	January 01,2017
IAS 1- Presentation of Financial Statements-Disclosure Initiative (Amendment)	January 01,2017
IAS 27-Separate Financial Statements- Equity method in Separate Financial Statements (Amendments)	January 01,2017
IAS 16- Property, Plant and Equipment and IAS 38-Intangible Assets- Clarification Of Acceptable Method of Depreciation and Amortization(Amendments)	January 01,2017
IAS 16- Property, Plant and Equipment and IAS 41- Agriculture-Agriculture: Bearer Plants (Amendments)	January 01,2017

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after generally January 01, 2017. The adoption of the above amendments, improvements to accounting standards and interpretations will neither have any effect on the financial statements in the period of initial application, nor on the consistent adopted accounting policies.

Further, following new standards have been issued by IASB which have been notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicable in Pakistan.

Standards	Effective date (annual period beginning on or after)
IFRS 9- Financial Instrument: Classification and Measurement	1 July 2018
IFRS 15- Revenue from Contracts with Customers	1 July 2018

The Company expects that the adoption of the above amendments, improvements to accounting standards and interpretations will not have any effect on the financial statements in the period of initial application except for IFRS 9-Financial Instrument: Classification and Measurement and IFRS 15-, which may affect certain disclosures, without effecting accounting policies and financial statements.

4.4- 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 profit and loss account 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 balance sheet date.

Gain / loss on disposal of fixed assets, if any is taken to profit and loss account 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 profit and loss account 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

Depreciation is charged on diminishing balance method at the rates specified in the relevant note so as to write off depreciable amount of the asset over its useful life. The Company charges the depreciation on monthly basis.

4.5- Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on the systematic basis applying the straight line method.

4.6- Leased assets

The leases, where all the risks and rewards incidental to ownership of the leased assets have been transferred to the company are classified as finance leases. Assets subject to finance lease are capitalized at the commencement of lease term at the lower of present value of minimum lease payments under the lease agreements or the fair value of the leased assets each determined at the inception of lease.

The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance leases. The liabilities are classified as current and long term depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant periodic rate of interest on the balance outstanding. The interest element of the rental is charged to income over the lease term.

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 profit and loss account. The Company charges the depreciation on month basis.

4.7- 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.

4.8- 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 balance sheet 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, immediately recognize all past service costs and replace 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 profit and loss account.

Defined contribution plan

A defined contribution plan is a plan under which the Company pays fixed contribution into a separate entity. The Company has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due. Prepaid contribution is recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company also operates an approved employee benefit (old age) plan for all its permanent employees to which monthly contribution are made, both by the Company and the employee, to the fund at the rate of 5% and 1% of basic minimum salary as determined by the Govt. of Pakistan.

4.9- 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 profit and loss account 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 applicable methods 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 profit and loss account. Investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date. 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.

4.10- Stocks in trade

These are stated at lower of cost or net realizable value. The methods used for the calculation of cost are as follows:

Raw Material	Weighted Average Cost
Work in process	Estimated Average Manufactured cost
Finished goods	Lower of Average Manufactured Cost or NRV

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Average manufacturing cost in relation to work in progress and finished goods consists of direct material, labor and production overheads based on normal capacity.

4.11- 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 profit and loss account. Value of items is being reviewed at each balance sheet date to record the provision for slow moving items, damaged and obsolete items.

4.12- Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balance with banks on current and deposit accounts.

4.13- Financial instruments

Financial instruments are carried on the balance sheet 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.

4.14- Off-setting of financial assets and financial liabilities

A financial asset and financial liability are off set and the net amount reported in the balance sheet, 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.

4.15- Provision

Provisions are recognized when the company has legal or constructive obligation as a result of past event, it is probable that an out flow of resources embodying economic benefit will be required to settle the obligation and reliable estimate of the amount of obligation can be made. However, provision are reviewed at each balance sheet date and adjusted to reflect the current reliable estimates.

4.16- Borrowings

Loans and borrowings in Pakistan Rupees are recorded at the proceeds received. In subsequent periods finance cost is accounted for on an accrual basis and is included in current liabilities to the extent of amount remaining unpaid, if any.

4.17- 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, are added to the cost of those assets, 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.

4.18- Foreign currencies

Transaction in foreign currencies other than Pak rupees are recorded at the exchange rate prevailing on the date of transaction. At each balance sheet, monetary assets and liabilities that are dominated in foreign currencies are translated

in rupees at the exchange rate ruling on the balance sheet date, except where forward exchange contracts have been entered in to for repayments of liabilities, in that case, rates contracted for, are used.

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

4.19- Revenue and Expense recognition

Revenue from different sources is recognized as under:

Revenue from sale is recognized on dispatch of goods to the customers.

Dividend on equity instruments is recognized when the right to receive the dividend/receipt is established, irrespective of the year of declaration.

Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

Lease income is recognized at the beginning of the period.

Expenses are based on mercantile basis unless and until otherwise stated.

4.20-Trade debts and other Receivables

Trade debtors and other receivables are carried at original invoice amount less an estimate made for doubtful debts based on review of all outstanding amounts at year end. Bad debts, if any, are written off when identified. Provision for bad and doubtful debt, if any, is made after ascertaining the status.

4.21- Trade and other payables

Liabilities for trade and other amounts payable are carried at original invoice less an estimate made for doubtful debts based on review of all outstanding amounts at year end. Bad debts, if any, are written off when identified. Provision for bad and doubtful debts, if any, is made after ascertaining the status.

4.22- Related party transaction

All transactions between company and related party are accounted for as an independent business in accordance with 'comparable Uncontrolled Price Method'. The company has 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.

4.23- Taxation

Current

The charge for current tax is based on the taxable income at the current rate of taxation after taking in to account applicable tax credit, rebates and exemptions available. However, for income covered under final tax regime. The charge for current tax also include prior year adjustments, where considered, arising due to assessments finalized during the year, commencing from current tax year, where no taxable income is earned, the minimum tax as laid down in law is provided.

Deferred

The company accounts for deferred tax, if any, using the liability method, on all major temporary differences at the balance sheet date, between the tax base of assets and liabilities and their carrying values for the financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime are also considered in accordance with the requirement of "Technical Release-27" of the institute of chartered accountants of Pakistan.

Provision for deferred tax has been made in these financial statements in accordance with treatment spelled in IAS-12 (Income Taxes), using the tax rate enacted at the balance sheet date.

Deferred tax assets, if any, is recognized to the extent that is probable that future taxable profits will be available against which the assets can be recognized.

The company also recognizes the asset/liability on deficit/surplus on revaluation, which is adjusted against the deficit/surplus in accordance with the requirement of revised IAS-12 (Income taxes).

4.24- Segment reporting

A segment is a distinguishable component within the company that is engaged in providing products and under a common control environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segments 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 for and management has distinguished its business into main division called "foam products division" therefore no segmentation has been provided. No segmentation is required for PVA plant because of closure of operational activities. No segmentation of income has been made currently because of lease income.

4.25- Impairment**Financial Assets**

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Financial instruments are carried on the balance sheet 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 (except available for sale investments) 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.

Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

4.26-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.

4.27- 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 profit and loss account, 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 amount 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 profit and loss account. To be read with relevant IAS to the extent and manner as applicable.

4.28- Functional and Presentation currency

These financial statements are presented in Pak Rupees, which is also the Company's functional and presentation currency. All financial information presented in Pak rupees has been rounded off to nearest rupees unless otherwise stated.

4.29- Special Note

The company has prepared these financial statements on the basis non going concern. The assets and liabilities other than fixed assets have been valued by the management at realizable/ settlement values. The management has considered the estimated realisable / settlement values to be equivalent to historical cost and has determined that no reassessment is required. The management is of the view that the fixed assets valued on December 31, 2014 need no further revaluation, and is of the view that there is no significant change in declared values. Therefore the policies adopted have not been subjected to any change other than that declared. See note no. 2 and 2.1.

4.30- Summary of significant transactions and events**i- Leasing out of factory with allied machinery**

Refer to note no. 2

ii- Transactions with related parties

Refer to note no. 31

4.31-CHANGE IN ACCOUNTING POLICIES

During the year, the Company changed its accounting policy for the surplus on revaluation of operating fixed assets, after enactment of the Companies Act, 2017, which has not carried forward requirement of disclosing the surplus on revaluation of operating fixed assets as a separate item below equity. Accordingly, in accordance with the requirements of International Accounting Standard - IAS 16, 'Property, plant and equipment', surplus on revaluation of operating fixed assets would now be presented within equity.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting policies, changes in accounting estimates and errors' and comparative figures have been restated

The effect of the change is recognition and presentation of Rs.154,153,373 for surplus on revaluation of property, plant and equipment as a capital reserve i.e. separate component of equity and derecognition of surplus on revaluation of property, plant and equipment of Rs.154,153,373, previously presented below equity in the statement of financial position. There is no impact of change in accounting policy on statement on profit or loss and other comprehensive income and statement of cash flows

As at June 30, 2017

	As Previously Stated Above	Effect of Restatement	As restated
Impact on Statement of Financial Position			
Surplus on revaluation of Property, plant and equipment (below equity)	154,153,373	(154,153,373)	-
Surplus on revaluation of Property, plant and equipment (within equity)	-	154,153,373	154,153,373
Impact on Statement of Changes in Equity			
Surplus on revaluation of Property, plant and equipment (within equity)	-	154,153,373	154,153,373

DIAMOND INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED Jun 30, 2018

	Notes	Jun-18 Rupees	Jun-17 Rupees
5 CASH AND BANK BALANCES			
Cash in hand		275,717	1,996,759
Cash at banks			
Current accounts		3,731,279	4,128,176
		<u>4,006,996</u>	<u>6,124,935</u>
6 TRADE DEBTS			
Considered good		17,774,569	71,177,421
		<u>17,774,569</u>	<u>71,177,421</u>
7 LOANS AND ADVANCES			
Advances to Employees		43,666	1,459,700
Advance Sales Tax		28,114,222	30,421,865
Advance Income Tax		27,957,397	33,463,777
Other Advances	7.1	-	103,085,315
		<u>56,115,285</u>	<u>168,430,657</u>
7.1	Neither loan nor advances is given to any executive during the year (2017: Nil). Advances to employees are in accordance with the Company policy. These advances are carried at cost and free of interest.		
8 OTHER RECEIVABLES			
Receivable from Mr. Tanveer Malik		1,969,309	1,969,309
		<u>1,969,309</u>	<u>1,969,309</u>
Retail Sales Tax - considered doubtful		125,000	125,000
Less: Provision for doubtful retail sales tax		(125,000)	(125,000)
Paid to Allied Bank under protest (Lahore High Court Order)		-	40,075,000
		<u>1,969,309</u>	<u>42,044,309</u>
9 STOCKS IN TRADE			
Raw Materials		8,415,705	91,774,755
Less: Provision for slow moving stock		-	(2,802,648)
		<u>8,415,705</u>	<u>88,972,107</u>
Work-in-Process		-	2,802,648
Finished Goods		-	6,022,340
		<u>8,415,705</u>	<u>97,797,095</u>
10 LONG TERM DEPOSITS			
Security Deposits	10.1	<u>330,885</u>	<u>330,885</u>

10.1 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>

11 INVESTMENT UNDER EQUITY METHOD

Investment under equity method	11.1	72,430,744	70,362,244
Impairment loss		(6,488,079)	-
		<u>65,942,665</u>	<u>70,362,244</u>

11.1 Investment under equity method

Shaffi Chemical Industries Limited - Quoted	11.1.1	6,488,079	6,488,079
Impairment loss		(6,488,079)	-
		<u>-</u>	<u>6,488,079</u>
Diamond Polymers (Private) Limited - Unquoted	11.1.2	65,942,665	63,874,165
		<u>65,942,665</u>	<u>70,362,244</u>

11.1.1 SHAFFI CHEMICAL INDUSTRIES LIMITED - associated company

3754240 (2018 : 3754240) ordinary shares of Rupees 10 each	<u>-</u>	<u>6,488,079</u>
Equity held 31.285% (2017 : 31.285%)		

Reconciliation

Share in net assets at the beginning of the year	6,488,079	4,406,859
Add: Share of income/(loss) after income tax	(18,656,009)	1,872,071
Share of other comprehensive income /(Loss)	70,529	244,022
Loss not to be recognized in profit and loss account	-	(34,873)
	<u>(18,585,480)</u>	<u>2,081,220</u>
	<u>(12,097,401)</u>	<u>6,488,079</u>

Carrying value of investment at the year end

The company has impaired the carrying value of investment due to continuous losses in associated company. There was no substantial shares trading transactions during the year, however as at the reporting date the market price of shares of the company was Rs. 6.49 per share.

11.1.2 DIAMOND POLYMERS (PRIVATE) LIMITED - Associated Company

1300000 (2017: 1300000) ordinary shares of Rupees 10/- each	<u>65,942,665</u>	<u>63,874,165</u>
Equity held 43.33% (2017 : 43.33%)		

Reconciliation

Share in net assets at the beginning of the year	63,874,165	63,358,803
Add: Share of profit / (loss) after income tax	2,077,006	507,476
Share of other comprehensive income /(loss)	(8,506)	7,886
	<u>2,068,500</u>	<u>515,362</u>
	<u>65,942,665</u>	<u>63,874,165</u>

Carrying value of investment at the year end

12 INVESTMENT AVAILABLE FOR SALE

Investment available for sale	12.1	<u>82,648,866</u>	<u>73,927,926</u>
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13 TRADE AND OTHER PAYABLES

Trade Creditors		19,781,252	141,476,580
Other Payables		9,784,684	9,109,465
Accrued Liabilities		617,320	5,212,335
Sales Tax Payable		972,512	9,327,448
Workers Profit Participation Fund Payable		6,551,423	6,551,423
		<u>37,707,191</u>	<u>171,677,251</u>
Provision against Allied Bank Case	13.1	-	352,166,578
		-	<u>352,166,578</u>

13.1 The company has settled liability with Allied Bank Limited.

14 Short term Borrowings - secured

Short term Borrowings- Banks	14.1	<u>-</u>	<u>97,401,270</u>
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14.1 The company in previous years had been sanctioned short term facilities limit to Rs. 350 millions from Silk Bank Limited for its working capital requirements, secured against personal guarantees of all the directors of the company. The company has settled the entire outstanding liability during the year.

15 DUE TO RELATED PARTIES AND OTHERS

Due to associated company	15.1	1,680,216	-
Others	15.2	137,297,971	-
		<u>138,978,187</u>	<u>-</u>

15.1 The amount is due to associated company M/s Capital Industrial Enterprises (Private) Limited against working capital requirement arrangements during the period. These are interest free and are unsecured.

15.2 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.

16 DEFERRED LIABILITIES

Gratuity - Defined benefit plan	16.1	-	27,891,581
Provision for Deferred Taxation	16.2	26,134,218	50,987,859
		<u>26,134,218</u>	<u>78,879,440</u>

16.1 As per the agreement between Diamond Tyres Limited and Diamond Industries Limited, Liability arising against Gratuity has been transferred to Diamond Tyres Limited.

16.2 Deferred Taxation

Deferred tax on taxable temporary differences;

Revaluation surplus	9,160,141	12,539,556
Accelerated Tax Depreciation	37,001,032	38,554,676
	<u>46,161,173</u>	<u>51,094,232</u>

Deferred tax deductible temporary differences;

Provision for Slow Moving Stock	-	868,821
Provision for Gratuity	-	8,646,390
	-	<u>9,515,211</u>

Net Taxable / (deductible) temporary difference	46,161,173	41,579,021
Minimum tax for the year	(1,209,279)	9,408,838
Effect of prior year adjustments	(18,817,676)	-
	<u>26,134,218</u>	<u>50,987,859</u>

17 PROVISION FOR TAXATION

Opening Balance	9,028,910	16,524,879
Current Tax	1,209,279	9,408,838
Income Tax on dividend	436,252	620,072
Adjustment of last year provisions	(9,683,740)	(17,524,879)
	<u>990,701</u>	<u>9,028,910</u>

18 ISSUED, SUBSCRIBED & PAID UP CAPITAL

2018	2017			
Number of shares				
6000000	6000000	Ordinary shares of Rupees 10 each fully paid up in cash	60,000,000	60,000,000
3000000	3000000	Fully paid bonus shares	30,000,000	30,000,000
<u>9000000</u>	<u>9000000</u>		<u>90,000,000</u>	<u>90,000,000</u>

18.1 Pattern of shareholding of related parties in Diamond Industries Limited is as follow:

Company name	Status	No of Shares	
Shaffi Chemical Industries Limited	Associated Company	1,422,450	1,422,450
Capital Industrial Enterprises (Pvt) Limited	Related party	1,076,383	1,076,383
Diamond products (Pvt) Limited	Related party	150,000	150,000
Capital Industries (Pvt) Limited	Related party	12,000	12,000

19 SURPLUS ON REVALUATION OF FIXED ASSETS

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.

Movement in revaluation surplus**Surplus on Land**

Opening balance	12,272,750	12,272,750
Add: during the year	-	-
Total Revaluation	12,272,750	12,272,750

Surplus on Buildings

Opening balance	116,731,436	116,731,436
Add: during the year	-	-
Total revaluation surplus on building	116,731,436	116,731,436
less: Incremental depreciation charged in previous years	33,185,320	28,788,155
less: Incremental depreciation charged in current year	4,177,306	4,397,165
	37,362,626	33,185,320
Revaluation surplus on building net off incremental depreciation	79,368,810	83,546,116
Related deferred tax liability	(5,877,242)	(7,196,392)
less: Related deferred tax liability on incremental depreciation transferred to retained earnings	-	-
	1,253,193	1,319,150
	(4,624,049)	(5,877,242)
Net revaluation surplus on buildings	74,744,761	77,668,874

Surplus on Plant and machinery

Opening balance	206,612,556	206,612,556
Add: during the year	-	-
Total revaluation surplus on plant and machinery	206,612,556	206,612,556
less: Incremental depreciation charged in previous year	135,738,494	127,863,599
less: Incremental depreciation charged in current year	7,087,406	7,874,895
	142,825,900	135,738,494
Revaluation surplus on plant and machinery net off incremental depreciation	63,786,656	70,874,062
Related deferred tax liability	(6,662,316)	(9,024,785)
less: Related deferred tax liability on incremental depreciation transferred to retained earnings	2,126,222	2,362,469
	(4,536,094)	(6,662,316)
Net revaluation surplus on plant & machinery	59,250,562	64,211,746
Closing balance	146,268,076	154,153,373

20 Reserves

Movement in and composition of reserves is as follows:

Capital Reserve

Fair value reserve

At the beginning of the year	21,827,880	27,586,215
Fair Value gain during the year	8,720,940	(3,274,364)
Share of net assets	-	217,035
Remeasurement gain/(loss)	-	(2,701,006)
At the end of the year	30,548,820	21,827,880

Revenue Reserve

Unappropriated losses

(47,033,269)

(248,058,818)

(16,484,449)(226,035,234)**21 CONTINGENCIES AND COMMITMENTS****I-SUPREME COURT OF PAKISTAN****DIL Vs ABL (CPLA. No.38612016)**

The DIL and ABL have mutually entered in a settlement agreement on account of which all pending cases have been withdrawn by both sides. The bank has confirmed that the company has discharged all its obligations and nothing is payable by the company in the future times.

II- 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) Ltd 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 which is pending. 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 Pvt. Ltd filed a suit for Recovery amounting to Rs.80,297,282/- against Mr. Iftikhar Shaffi and others including this company which is still pending.

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 and which is still pending before the Court.

III- 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 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 case is still pending before the Court.

c. DIL Vs ABL etc. (C.O.S. No.9/2009)

The DIL has filed a Suit for Declaration and Cancellation of Forged Documents against the Allied Bank Limited before the Single Bench of Honourable Lahore High Court, Lahore and case is pending adjudication issues were framed in this case now the proceedings of the case are fixed for recording of evidence.

IV- 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 conducting in the said cases. An order dated 13-9-2013 was passed by the Civil Judge refusing an application for summoning of certain witnesses filed by Mr. Iftikhar Shaffi and the said order was challenged in the Lahore High Court through Civil Revision No.2928/2014. Now the case has been fixed for further proceedings.

b. Aslam Motiwala Vs Lahore Stock Exchange etc.

Aslam Motiwala filed suit No.561 in 2003 against Lahore Stock Exchange and two others including M/s Diamond Industries Ltd. An application was filed by the LSE thereby seeking rejection of plaint and now the case is fixed for arguments on the said application.

V- ATIR PESHAWAR

In the matter of taxation during the period of exemption available to the company the CIR appeals has ruled in favour of the company. The department has filed appeal on this issue before the ATIR Peshawar. The management is of the opinion that they have a strong case and the orders of CIR appeals shall be accepted by the ATIR. the quantum of tax involved is Rs. 70 million. No further provision has been made.

LEGAL ADVISOR

The legal advisor of the company is of the opinion that the matters discussed in para from I to IV do not attracts any adversity. The company is contesting all the cases vigorously, hence no provision is required.

Commitments

There were no commitments as at the reporting date (2017 NIL).

22 SALES

Sales Gross	113,188,473	1,106,031,979
Less: Sales Tax	(16,446,188)	(165,148,165)
	<u>96,742,285</u>	<u>940,883,814</u>

23 COST OF SALES

Raw material consumed	23.1	87,873,440	737,854,670
Salaries, wages & other benefits		-	50,742,810
Repair and maintenance		-	695,387
Fuel and power		-	4,167,568
Miscellaneous expenses		-	2,241,656
Cost of goods manufactured		87,873,440	795,702,091
Work-in-Process & Finished goods adjustment			
Opening stock		6,022,340	140,431,802
Closing stock		-	(8,824,988)
		6,022,340	131,606,814
		93,895,780	927,308,905

23.1 RAW MATERIAL CONSUMED

Opening Stock		91,774,755	136,487,780
Purchases	23.1.1	4,514,390	707,783,596
		96,289,145	844,271,376
Less Discount On Purchases			(14,641,951)
Less Closing Stock		(8,415,705)	(91,777,455)
		87,873,440	737,851,970

23.1.1 These are purchases of packing materials.

24 SELLING AND DISTRIBUTION COSTS

Salaries, wages & other benefits	-	19,848,597
Utilities expenses	-	45,016
Vehicle Running and Maintenance	-	352,884
Travelling & conveyance	-	182,901
Repair and maintenance	-	1,249,772
Rent, rates & taxes	-	352,448
Sales Commission etc	-	-
Freight & Forwarding	-	3,748,745
Publicity	-	76,605,689
Miscellaneous	-	2,156,263
	-	104,542,315

25 ADMINISTRATIVE EXPENSES

Salaries, wages & other benefits	7,860,000	20,888,111
Utilities expenses	-	128,352
Printing and stationery	165,330	164,422
Vehicle Running and Maintenance	85,074	996,582
Repair and maintenance	-	107,000
Legal & professional charges	2,764,775	7,304,913
Travelling & conveyance	14,980	257,899
Telephone and postage	1,037,367	1,593,692
Miscellaneous	2,880,135	554,460
Auditor's remuneration	25.1	446,000

Charity and donation	-	2,040,244
Provision for slow moving stock	-	2,802,648
	<u>15,253,661</u>	<u>37,284,323</u>

25.1 AUDITORS' REMUNERATION

Audit Fee	385,000	385,000
Half Yearly Review	40,000	40,000
Out of Pocket Expenses	21,000	21,000
	<u>446,000</u>	<u>446,000</u>

26 OTHER OPERATING INCOME

Dividend Income	2,900,763	3,807,606
Income From Disposal of Assets	1,991,867	1,069,605
Rental income	18,000,000	-
Other income	1,375,427	1,747,484
	<u>24,268,057</u>	<u>6,624,695</u>

27 FINANCE COST

Bank Charges	63,560	744,336
Foreign Exchange Loss	57,292	-
Markup	1,676,288	10,689,893
	<u>1,797,140</u>	<u>11,434,229</u>

28 TAXATION**Current tax**

Provision for current tax	1,209,279	9,408,838
Tax on dividend	436,252	620,072
	<u>1,645,531</u>	<u>10,028,910</u>

Deferred tax

For the year	28,233,056	171,699
	<u>26,587,525</u>	<u>(9,857,211)</u>

29 EARNINGS PER SHARE - BASIC AND DILUTED

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

(Loss) / Profit attributable to ordinary shares	(Rupees)	<u>18,044,441</u>	<u>(630,059,579)</u>
Average Ordinary Shares	(Numbers)	<u>9,000,000</u>	<u>9,000,000</u>
		2.00	(70.01)

30 REMUNERATION OF MANAGING DIRECTOR/ CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	MANAGING DIRECTOR/ CHIEF EXECUTIVE, DIRECTORS		EXECUTIVES	
	2018	2017	2018	2017
Managerial remuneration and allowances	1,920,000	1,620,000	5,905,380	5,665,380
Health insurance	-	-	34,620	34,620
	<u>1,920,000</u>	<u>1,620,000</u>	<u>5,940,000</u>	<u>5,700,000</u>
Number of Persons	2	2	2	2

31 TRANSACTIONS WITH RELATED PARTIES:-

The related parties comprises of associated companies as defined in Company Act, 2017 and other related parties. The Company enters into transaction with related parties at normal course of business on the basis of mutually agreed terms. Details of significant transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:

Purchase of goods:	Nature	2018	2017
Capital Industrial Enterprises (Private) Limited	Associated Company	-	34,261,105
Diamond Home Textile (Private) Limited	Related party	-	41,834,145
Symbol Industries (Private) Limited	Related party	-	-
Diamond Tyres Limited	Associated Company	-	230,338,267
Diamond Product (Private) Limited	Related party	-	47,509

Sales of goods:	Nature		
Capital Industrial Enterprises (Private) Limited	Associated Company	23,784,489	-
Symbol Industries (Private) Limited	Related party	14,870,690	-
Diamond Tyres Limited	Associated Company	40,129,422	84,214
Englander Industries (Private) Limited	Related party	17,859,706	-
Diamond Home Textile (Private) Limited	Related party	-	570,890,881
Diamond Product (Private) Limited	Related party	-	99,130,760
Dolce vita Home (Private) Limited	Related party	-	34,926,758

Interest/ markup

Capital Industrial Enterprises (Pvt) Limited	Related Party	-	1,747,484
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Loan from Associated undertakings/Related Parties

Capital Industrial Enterprises (Private) Limited	Associated Company	1,680,216	-
Others	-	137,297,971	

32 NUMBER OF EMPLOYEES

The total number of employees as at June 30, 2018 and 2017 and average number of employees during the year are as follows:

	Jun-18	Jun-17
No of employees		
Number of employees as on June 30		
-Permanent	4	287
Average number of employees during the year		
-Permanent	4	282

33 PLANT CAPACITY AND PRODUCTION

The factory along with plant & machinery has been leased out to Diamond Tyres Limited an associated undertaking, on mutually agreed terms.

34 Disclosure Requirements for All Shares Islamic Index

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

DIAMOND INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUN 30, 2018

12.1 Quoted Investments

Sr #	Name of the Company	JUN 18						June 17				
		No. of Shares			Rate	Market Value (Rs.)	Gain/ (loss)	No. of Shares			Rate	Market Value (Rs.)
		CDC	Physical	Total				CDC	Physical	Total		
1	ICI Pakistan Limited	-	330	330	801.50	264,495	(96,707)	-	330	330	1,094.55	361,202
2	The Bank Of Punjab	27,896	917	28,813	12.07	347,773	8,356	27,896	917	28,813	11.78	339,417
3	Nishat Mills Ltd.	130	-	130	140.92	18,320	(2,309)	130	-	130	158.68	20,628
4	Sui Northern Gas Pipelines Ltd	794	-	794	100.22	79,575	(38,668)	794	-	794	148.92	118,242
5	Askari Commercial Bank Ltd.	2,088,908	-	2,088,908	21.87	45,684,418	3,551,144	2,088,908	-	2,088,908	20.17	42,133,274
6	Fauji Fertilizer Company Ltd.	297,597	-	297,597	98.89	29,429,367	4,835,951	297,597	-	297,597	82.64	24,593,416
7	First Fidelity Leasing Modaraba	25,000	-	25,000	5.51	137,750	56,500	25,000	-	25,000	3.25	81,250
8	First Punjab Modarba	151,000	-	151,000	5.50	830,500	(377,500)	151,000	-	151,000	8.00	1,208,000
9	Faysal Bank Ltd.	211,422	382	211,804	26.00	5,506,904	741,314	211,422	382	211,804	22.50	4,765,590
10	Allied Bank Limited	-	2,946	2,946	103.15	303,880	39,859	-	2,946	2,946	89.62	264,021
11	Samba Bank formerly Trust commercial bank	5,998	-	5,998	7.65	45,885	2,999	5,998	-	5,998	7.15	42,886
TOTAL		2,808,745	4,575	2,813,320		82,648,866	8,720,940	2,808,745	4,575	2,813,320		73,927,926

12.2

All the above shares are held in CDC Sub-account maintained with Mr. Tanveer Malik. The CDC sub account of Mr. Tanveer Malik has been frozen by SECP due to the default of the said member. Read with note No. 21. The company has also filed legal cases.


Chief Executive


Chief Financial Officer


Director

DIAMOND INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

35 FINANCIAL RISK MANAGEMENT

35.1 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 exposed to currency risk on import of raw materials mainly denominated in US Dollar. At June 30, 2018, had Pakistani rupees weakened/ strengthened by 5% against the USD with all other variables held constant, profit before taxation for the year would have been lower/ higher by Rs. Nil (2017: Nil). This will mainly result due to foreign exchange gains/losses on translation of USD.

(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 arising 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 balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

	Jun-18 Rupees	Jun-17 Rupees
Floating rate instruments		
Financial assets		
Bank balances- deposit accounts	-	-
Financial liabilities		
Short term borrowings	-	97,401,270

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 (2017: Rupees 974,013) 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 balance sheet dates 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-18	Jun-17	Jun-18	Jun-17
	(Rupees)			
KSE 100 (5% increase)	-	-	3,297,133	3,518,112
KSE 100 (5% decrease)	-	-	(3,297,133)	(3,518,112)

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 represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

		Jun-18 Rupees	Jun-17 Rupees
Long Term Deposits	See note no. 10	330,885	330,885
Trade Debts	See note no. 6	17,774,569	71,177,421
Loan and Advances	See note no. 7	56,115,285	168,430,657
Other Receivables	See note no. 8	1,969,309	42,044,309
Investments available for sale	See note no. 12	82,648,866	73,927,926
Cash and bank balances	See note no. 5	4,006,996	6,124,935
		<u>162,845,910</u>	<u>362,036,133</u>

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			Jun-18	Jun-17
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Allied Bank Limited	A1+	AA+	PACRA	300,289	301,455
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	71,121	774
Habib Bank AG Zurich Limited	A1+	AA+	PACRA	3,302,860	3,320,729
Bank Al-habib Limited	A1+	AA+	PACRA	44,603	287,357
Bank Al-falah Limited	A1+	AA	PACRA	1,133	1,487
Askari Bank Limited	A-1+	AA	JCR-VIS	376	376
Standard Chartered Bank (Pak) Ltd	A1+	AAA	PACRA	-	-
Silk Bank	A-2	A-	JCR-VIS	501	205,612
Summit Bank	A-1	A	JCR-VIS	386	386
Meezan Bank	A-1+	AA	JCR-VIS	10,010	10,000
Cash In Hand				275,717	1,996,759
				<u>4,006,996</u>	<u>6,124,935</u>

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 6.

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 risks are minimal.

(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 30 June, 2018 the company had Rupees 4,006,996 (2017: Rs 6,124,935) 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. Following are the contractual maturities of financial liabilities. The amounts disclosed in the table are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 June 2018

	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	37,707,191	37,707,191		38,228,934	-	-
Loan from related party	138,978,187	138,978,187		138,978,187		
Short term borrowings	-	-				

Accrued mark-up and other liabilities	-	-	-	-	-
	176,685,378	176,685,378	-	177,207,121	-

Contractual maturities of financial liabilities as at 30 June 2017

	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	524,276,373	524,276,373	-	524,276,373	-	-
Short term borrowings	97,401,270	97,401,270	-	97,401,270	-	-
Accrued mark-up and other liabilities	361,276,043	361,276,043	-	361,276,043	-	-
	982,953,686	982,953,686	-	524,276,373	-	-

35.2 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	Level 2	Level 3	Total
	(Rupees) -----			
As at 30 June 2018				
Assets				
Available for sale financial assets	82,648,866	-	-	82,648,866
As at 30 June 2017				
Assets				
Available for sale financial assets	73,927,926	-	-	73,927,926

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet 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. The Company has no such type of financial instruments as at 30 June 2018.

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.

35.3 Financial instruments by categories

	At Fair Value Rupees	At Amortized Cost Rupees	Total Rupees
As at 30 June 2018			
Assets as per balance sheet			
Long Term Deposits	330,885	-	330,885
Trade Debts	17,774,569	-	17,774,569
Loans and Advances	56,115,285	-	56,115,285
Other Receivables	1,969,309	-	1,969,309
Investment -Available for Sale	82,648,866	-	82,648,866
Cash and Bank Balances	4,006,996	-	4,006,996
	162,845,910	-	162,845,910
Liabilities as per balance sheet			
Trade and other payables			37,707,191
Short term borrowings			-
			37,707,191

	At Fair Value Rupees	At Amortized Cost Rupees	Total Rupees
As at 30 June 2017			
Assets as per balance sheet			
Long Term Deposits	330,885	-	330,885
Trade Debts	71,177,421	-	71,177,421
Loans and Advances	168,430,657	-	168,430,657
Other Receivables	42,044,309	-	42,044,309
Investment -Available for Sale	73,927,926	-	73,927,926
Cash and Bank Balances	6,124,935	-	6,124,935
	<u>362,036,133</u>	<u>-</u>	<u>362,036,133</u>
Liabilities as per balance sheet			
Trade and other payables			524,276,373
Short term borrowings			97,401,270
			<u>621,677,643</u>

35.4 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 dividend by total capital employed. Borrowings represent short term borrowings obtained by the company as refred to in Note 9. Total Capital employed includes 'total equity' as shown in balance sheet .

		Jun-18	Jun-17
Borrowings	Rupees in thousand	138,978	97,401
Total Equity	Rupees in thousand	219,784	21,604
Total Capital Employed (2017: restated)	Rupees in thousand	358,762	119,005
Gearing ratio	Percentage	39%	82%

36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorised for issue on October 04, 2018 by the Board of Directors of the company.

37 GENERAL

Figures have been rounded off to nearest rupee.

Jun - 2018

June - 2017

Cost of sales
Administrative

Information regarding Disposal of Fixed Assets aggregating in amount Rs. 500,000.

All transactions are on arm's length basis representing the fair value of the assets being disposed off.

DIAMOND INDUSTRIES LIMITED

The Land, building, plant and machinery have been revalued by independent Valuer on the basis of present market values and replacement values on December 31, 2014, resulting in a further surplus of Rs. Nil on land and Rs.6,287,440 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. 4,472,00 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 and Plant & Machinery was carried out by M/S Dimen Associates (Pvt) Ltd on March 01, 2005 and revaluation of Rawalpindi Building was carried out by Hamid Mukhtar and Co (Pvt.) Ltd on April 11, 2005.

If there had been no revaluation, the cost, accumulated depreciation and book value of the revalued assets at June 30, 2018 would have been as follows:

Particulars	2018			2017		
	Cost	Accumulated Depreciation	Written Down Value	Cost	Accumulated Depreciation	Written Down Value
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	2,027,250	-	2,027,250	2,027,250	-	2,027,250
Building on Leasehold Land	21,193,005	14,808,212	6,384,793	21,193,005	13,748,562	7,444,443
Plant and Machinery - Foam	62,297,000	50,660,043	11,636,957	62,297,000	44,430,343	17,866,657
Plant and Machinery - Chemical	9,458,190	6,287,590	3,170,600	9,458,190	5,341,771	4,116,419
R u p e e s	94,975,445	71,755,845	23,219,600	94,975,445	63,520,676	31,454,769

No impairment has been recognised on operating assets in the current year.

Allied Bank Limited of Shahdara Branch pledged all that lease hold rights to Plot bearing No. 25 measuring 6 acres situated in the Industrial Estate Area of Gadoon Amazai with all present & future constructions, fittings, fixtures, machineries, all installations, receivables etc by way of first charge including stocks of the company valuing Rs. 130,000,000. Charge was first created on Nov 7, 1995.

Operating Highlights

		2012	2013	2014	2015	2016	2017	2018
KEY INDICATORS								
OPERATING								
GROSS MARGIN	%	15.20	11.69	15.11	14.17	16.93	0.36	2.94
OPERATING MARGIN	%	7.19	2.74	(4.39)	(1.36)	11.30	(64.95)	-2.40
PRE TAX MARGIN	%	6.41	0.71	(8.30)	(7.30)	10.64	(65.92)	-8.83
NET MARGIN	%	5.19	(0.51)	(9.20)	(9.01)	4.32	(67.36)	18.65
PERFORMANCE								
RETURN ON ASSETS	%	3.19	1.68	(4.88)	(4.17)	15.10	(86.67)	4.26
ASSETS TURNOVER	Times	53.05	2.36	0.59	0.57	0.84	1.28	0.23
FIXED ASSETS TURNOVER	Times	4.57	18.67	5.22	2.76	3.49	4.70	0.52
INVENTORY TURNOVER	Times	2.06	12.21	3.00	2.21	2.19	5.01	1.77
RETURN ON EQUITY	%	3.94	(1.49)	(7.71)	(8.66)	5.06	(221.04)	8.21
LEVERAGE								
DEBT : EQUITY	Times	0.39	0.03	0.43	0.53	0.17	4.5	0.63
LIQUIDITY								
CURRENT	Times	2.20	3.57	2.35	1.67	3.00	0.73	2.08
QUICK	Times	1.51	2.88	1.55	0.93	1.86	0.58	2.03
VALUATION								
EARNING PER SHARE (PRE TAX)	RS.	3.11	1.42	(4.49)	(5.17)	0.92	(68.91)	-0.95
EARNING PER SHARE (AFTER TAX)	RS.	3.04	(1.01)	(4.98)	(6.38)	3.72	(70.42)	2.00
BREAK UP VALUE	RS.	70.16	67.78	64.60	73.67	73.46	2.40	24.42
HISTORICAL TRENDS								
TRADING RESULTS								
TURNOVER	RS.	466,245	1,794,283	487,164	637,194	774,114	940,884	96,742
GROSS PROFIT / (LOSS)	RS.	70,866	209,772	73,629	90,322	131,059	3,421	2,846
OPERATING PROFIT / (LOSS)	RS.	33,522	49,186	(21,397)	(8,667)	87,545	(611,148)	(2,326)
PROFIT/(LOSS) BEFORE TAX	RS.	29,891	12,746	(40,419)	(46,492)	82,403	(620,202)	(8,543)
PROFIT/(LOSS) AFTER TAX	RS.	24,183	(9,106)	(44,830)	(57,423)	33,470	(633,741)	18,044
FINANCIAL POSITION								
SHAREHOLDERS' FUNDS	RS.	613,265	609,995	581,439	663,069	661,104	21,604	219,783
PROPERTY, PLANT & EQUIPMENT	RS.	102,118	96,105	93,258	231,138	221,680	200,995	186,822
NET CURRENT ASSETS	RS.	269,158	337,943	310,708	281,515	440,605	(171,204)	219,783
LONG TERM ASSETS	RS.	338,995	290,224	287,555	413,238	289,775	271,688	-
LONG TERM LIABILITIES	RS.	2,219	18,171	16,824	31,683	69,277	78,879	-

FORM 34

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

30-06-2018

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
70	1	100	2,747
133	101	500	45,862
26	501	1,000	22,750
32	1,001	5,000	65,549
4	5,001	10,000	30,124
2	10,001	15,000	24,500
3	20,001	25,000	66,500
1	25,001	30,000	28,500
1	120,001	125,000	121,500
1	145,001	150,000	150,000
1	345,001	350,000	348,090
1	475,001	480,000	476,855
1	520,001	525,000	520,480
1	555,001	560,000	559,060
1	1,420,001	1,425,000	1,422,450
1	1,450,001	1,455,000	1,453,650
1	1,705,001	1,710,000	1,710,000
1	1,950,001	1,955,000	1,951,383
281			9,000,000

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	1,713,000	19.0333%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	3,546,333	39.4037%
2.3.3 NIT and ICP	700	0.0078%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	559,060	6.2118%
2.3.5 Insurance Companies	-	0.0000%
2.3.6 Modarabas and Mutual Funds	500	0.0056%
2.3.7 Share holders holding 10% or more	6,537,483	72.6387%
2.3.8 General Public		
a. Local	2,763,816	30.7091%
b. Foreign	-	0.0000%
2.3.9 Others (to be specified)		
Joint Stock Companies	416,591	4.6288%

DIAMOND INDUSTRIES LIMITED
Catagories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2018

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

1	DIAMOND PRODUCTS (PVT) LTD	150,000	1.6667
2	SHAFFI CHEMICAL INDUSTRIES LTD. (CDC)	1,422,450	15.8050
3	CAPITAL INDUSTRIAL ENTERPRISES (PVT) LTD.(CDC)	1,951,383	21.6820
4	SYMBOL INDUSTRIES (PVT) LTD. (CDC)	22,500	0.2500

Mutual Funds (Name Wise Detail)

1	FIRST CAPITAL MUTUAL FUND LTD	500	0.0056
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Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. IFTIKHAR A. SHAFFI	1,710,000	19.0000
2	MR. ABDUL SHAKOOR	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. QASIER SALEEM KHAN	500	0.0056
7	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:	559,060	6.2118
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Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

S. No.	Name	Holding	Percentage
1	MR. IFTIKHAR A. SHAFFI	1,710,000	19.0000
2	MR. SHARIQ IFTIKHAR (CDC)	1,453,650	16.1517
3	SHAFFI CHEMICAL INDUSTRIES LTD. (CDC)	1,422,450	15.8050
4	CAPITAL INDUSTRIAL ENTERPRISES (PVT) LTD.(CDC)	1,951,383	21.6820
5	BANK ALFALAH LIMITED- LAHORE STOCK EXCHANGE (CDC)	559,060	6.2118
6	MR. MUDASSAR IFIKHAR (CDC)	520,480	5.7831
7	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
	NIL		

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 Saturday 27th October, 2018 at 11:00 a.m. and any adjournment thereof.

As witnessed given under my/our hand(s) _____ day of _____ 2018.

1) Witness:

Signature _____

Name _____

Address _____

Signature of Member

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

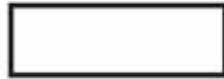
میں / ہم _____ کے _____

ڈائمنڈ انڈسٹریز لمیٹڈ کا ممبر ہونے کے ناطے بطور پراکسی تقرر کرتا ہوں / کرتے

_____ کے _____
کمپنی سالانہ اجلاس عام جو کہ 27 اکتوبر 2018 بروز ہفتہ 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 _____ 2018

(1) گواہ



دستخط _____

نام _____

پتہ _____

ممبر کے دستخط

دستخط _____ زیر ملکیت حصص _____

نام _____ شیئر ہولڈر کا فوئیو 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 کا 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۔

کارپوریٹ اداروں / سی ڈی سی اکاؤنٹ ہولڈرز کے لئے درج بالا کے ساتھ ساتھ نیچے دی گئی ضروریات بھی پوری کرنا ضروری ہے۔

(i) پراکسی فارم تصدیق دو افراد سے کروانا ہوگی، جن کے نام، پتہ 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 ریزرویشن / پاور آف اٹارنی کے ساتھ نمونے کے دستخط جمع کروانے ہوں گے (جب تک یہ پہلے فراہم نہیں کئے گئے)۔