

DIAMOND INDUSTRIES LIMITED

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DIAMOND INDUSTRIES LIMITED

CORPORATE PROFILE

BOARD OF DIRECTORS

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

COMPANY SECRETARY

- Mr. Zahoor Ahmad

CHIEF FINANCIAL OFFICER

- Mr. Munawar Hussain

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

LEGAL ADVISOR

- A.K. Minhas Law Associates

AUDITORS

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

BANKERS

- Allied Bank Limited
- Askari Commercial Bank Limited
- Bank Alfalah Limited
- Habib Metropolitan Bank Limited
- Silk Bank Limited
- Habib Bank Limited

REGISTERED OFFICE

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

FACTORY

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

PRINCIPLE OFFICE

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

SHARE REGISTRAR

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

DIAMOND INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Diamond Industries Ltd., feels pleasure to present before you unaudited quarterly financial statements of your company for the quarter ended March 31, 2022.

BRIEF REVIEW OF OPERATIONS:

As already reported in Directors' Report of the latest annual financial statements, that the company has restarted its core business manufacturing activity from May 2021. Pakistan's economy showed its resilience and braced the negative impacts of the global pandemic far better than expected. However during the quarter under review, despite of challenging business environment, the company score the sale revenue of Rs. 1,277.045 Million, Gross Profit of Rs. 113.373 Million and other operating income of Rs. 0.899 Million. After operating expenses of Rs. (54.625) Million and tax liability of Rs. (16.109) Million for the current period, the net profit after tax is arrived at Rs. 43.523 Million as against of Rs. 10.702 Million of the corresponding quarter ended March 31, 2021. The net profit translated into Earnings per Share (EPS) of Rs. 4.84 as against Rs. 1.19 of the corresponding period.

As regards disputed matters under litigation with Customs Authorities, FBR, SECP, Stock Exchanges & others, reported in annual financial statements of our company under the head of "Contingencies & Commitments", are being contested vigorously at its proper forums and there is no change in the status of these matters. However for rectification of PSX default and to remove the suspension of trading in shares of the company, the liabilities towards Pakistan Stock Exchange (PSX) has also been paid with the request to remove the company name from defaulters' segment to normal trade counter, so that future furniture business plan can be executed in near future.

FUTURE OUTLOOK:

As the company has restarted its core manufacturing operations since 1st day of May 2021 and the management is continuously monitoring the macroeconomic environment of the country and is planning to expand its business operations, initially the authorized capital of the company has been increased from Rs. 120 Million to Rs. 400 Million by raising of Rs. 280 Million. However as already discussed above, the company has paid all its liabilities towards PSX and has requested to remove the company name from defaulters' segment to normal trade counter, so that the process for right issue of the same should be initiated enabling to expand the business operations of the company in near future to maximize its shareholders' wealth.

EARNING PER SHARE:

The earnings per share of the company for the period under review are Rs. 4.84 as compared to Rs. 1.19 in the last corresponding quarter ended 31st March, 2021.

ACKNOWLEDGEMENT:

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

For and on behalf of Board



IMRAN KABIR
Director



IFTIKHAR SHAFFI
Chief Executive

Lahore
Dated:- 25th April, 2022

DIAMOND INDUSTRIES LIMITED

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز: ڈائمنڈ انڈسٹریز لمیٹڈ کے ڈائریکٹرز 31 مارچ کو ختم ہونے والی سہ ماہی کیلئے آپ کو غیر آڈٹ شدہ مالیاتی بیانات پیش کرنے پر خوشی محسوس کرتے ہیں۔

مختصر مالیاتی جائزہ: جیسا کہ پچھلے مالیاتی بیانات میں بتایا جا چکا ہے کمپنی نے مئی 2021 سے اپنی کاروباری سرگرمیاں شروع کر دی ہیں۔ پاکستانی معیشت میں دوبارہ سے بہتری آئی ہے اور عالمی وباء کے منفی اثرات کو توقع سے بہتر انداز میں برداشت کیا۔ تاہم موجودہ سہ ماہی میں چیلنجنگ کاروباری ماحول کے باوجود کمپنی کی فروخت کی آمدن 1,277.04 ملین بھل منافع 113.373 ملین اور دیگر آپریٹنگ آمدنی 0.899 ملین رہی ہے۔ (54.625) ملین آپریٹنگ اخراجات اور (16.09) ملین ٹیکس کے بعد خالص منافع 43.523 ملین رہا ہے جو کہ پچھلی 31 مارچ 2021 کی سہ ماہی میں 10.702 ملین رہا تھا۔ خالص منافع کی فی حصص آمدنی 4.84 روپے رہی ہے جو کہ پچھلی مدت 1.19 روپے فی حصص رہی تھی۔

کسٹمر اتھارٹیز، ایف بی آر، ایس ای سی پی، اسٹاک ایکسچینج اور دیگر متنازع معاملات کا جن کی تفصیل سالانہ مالیاتی رپورٹ 2021-06-30 میں موجود ہے پراپر فورم پر پھر پور طریقے سے کمپنی مقابلہ کر رہی ہے اور ان کی نوعیت میں کوئی تبدیلی نہیں ہوئی ہے۔ تاہم PSX کے ڈیفالٹ کو درست کرنے اور کمپنی کے حصص کی تجارت کی معطلی کو دور کرنے کے لئے PSX کی جانب واجبات کی ادائیگی بھی اس درخواست کے ساتھ کی گئی ہے کہ کمپنی کا نام ڈیفالٹر کے حصے سے نکال کر عام تجارتی کاؤنٹر پر ڈال دیا جائے تاکہ فرنیچر کے کاروباری منصوبے کو مستقبل میں انجام دیا جاسکے۔

مستقبل کا جائزہ: جیسا کہ کمپنی نے اپنی کاروباری سرگرمیاں مئی 2021 سے شروع کر دی ہیں اور مینجمنٹ لگاؤ کمپنی کے میکرو اکنامک ماحول پر نظر رکھے ہوئے ہے اور کاروباری سرگرمیوں کو بڑھانے کی منصوبہ بندی کر رہی ہے۔ سب سے پہلے کمپنی نے مجاز سرمایہ کو 280 ملین سے بڑھا کر 400 ملین کر دیا ہے۔ جیسے کہ اوپر بتایا جا چکا ہے کہ PSX کے ڈیفالٹ کو درست کرنے اور کمپنی کے حصص کی تجارت کی معطلی کو دور کرنے کے لئے PSX کی جانب واجبات کی ادائیگی بھی اس درخواست کے ساتھ کی گئی ہے کہ کمپنی کا نام ڈیفالٹر کے حصے سے نکال کر عام تجارتی کاؤنٹر پر ڈال دیا جائے تاکہ شیئر ایلیٹو کرنے کا عمل شروع کیا جاسکے اور کمپنی اپنے کاروباری سرگرمی کو بڑھا سکے اپنے شیئر ہولڈر کی دولت کو زیادہ سے زیادہ کرنے کے لئے۔

فی حصص شیئر: فی حصص آمدنی 31 مارچ 2021 میں پچھلی سہ ماہی 1.19 روپے فی حصص کے مقابلے میں 4.84 روپے فی حصص رہا۔

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

بورڈ کی طرف سے



افتخار شفیع

چیف ایگزیکٹو



عمران کبیر

ڈائریکٹر

لاہور

تاریخ: 25 اپریل 2022


DIAMOND INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION As At March 31, 2022 (UN- AUDITED)

	Note	Mar 2022	June 2021
Authorized share capital		400,000,000	120,000,000
40,000,000 Ordinary shares of Rs. 10/- each			
Issued, subscribed and Paid Up Capital	6	90,000,000	90,000,000
Surplus on revaluation of fixed assets		114,368,453	118,744,520
Reserves		70,432,172	26,512,028
Share Holders' Equity		274,800,626	235,256,549
NON CURRENT LIABILITIES			
Due to related parties and others		137,297,971	137,297,971
Deferred liabilities		77,246,657	80,750,339
		214,544,628	218,048,310
CURRENT LIABILITIES			
Trade and other payables		190,222,868	180,890,784
Provision for taxation		18,817,594	6,727,598
		209,040,462	187,618,381
TOTAL EQUITY & LIABILITIES		698,385,716	640,923,240
Contingencies & Commitments	7	-	-
ASSETS			
NON CURRENT ASSETS			
Property Plant And Equipments	8	161,870,120	168,822,355
Long Term Deposits		330,885	330,885
Investments Under equity Method	9	67,215,400	67,215,400
Investments available for sale		80,004,992	83,984,721
		309,421,398	320,353,361
CURRENT ASSETS			
Stock in trade	10	218,473,779	163,706,000
Stores Spares and lose tools		2,111,180	-
Trade Debts		124,781,272	81,619,252
Loan and Advances		41,396,553	71,688,420
Cash and bank balances		2,201,534	3,556,206
		388,964,318	320,569,878
TOTAL ASSETS		698,385,716	640,923,240

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


Chief Executive


Chief Financial Officer


Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For Nine Months Ended March 31, 2022 (Un-Audited)

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2022 Rupees	March 31, 2021 Rupees	March 31, 2022 Rupees	March 31, 2021 Rupees
Sales - net		1,277,045,551	-	488,418,476	-
Cost of sales		(1,163,672,434)	-	(457,755,072)	-
Gross profit / (loss)		113,373,117	-	30,663,404	-
Distribution expenses		(27,318,944)	-	(7,808,699)	-
Administrative expenses		(27,306,323)	(12,995,170)	(10,158,287)	(4,326,631)
		(54,625,267)	(12,995,170)	(17,966,986)	(4,326,631)
		58,747,850	(12,995,170)	12,696,418	(4,326,631)
Other Operating income		899,291	24,595,701	125,539	5,516,329
Profit / (loss) from Operations		59,647,141	11,600,531	12,821,957	1,189,698
Finance Cost		(13,920)	(1,705)	-	(173)
Share of profit/(loss) of associated companies		-	-	-	-
Profit / (loss) before Taxation		59,633,221	11,598,826	12,821,957	1,189,525
TAXATION					
- Current		(18,817,594)	(971,014)	(4,056,058)	(203,351)
- Deferred Tax		2,708,180	74,751	1,340,791	-
		(16,109,414)	(896,263)	(2,715,267)	(203,351)
Profit / (Loss) after Taxation		43,523,807	10,702,563	10,106,690	986,174
Earning per Share	12	4.84	1.19	1.12	0.11

The annexed notes form an integral part of this financial information


Chief Executive


Chief Financial Officer


Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For Nine Months Ended March 31, 2022 (Un-Audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2022 Rupees	March 31, 2021 Rupees	March 31, 2022 Rupees	March 31, 2021 Rupees
Profit / (Loss) for The Period	43,523,807	10,702,563	10,106,690	986,174
Other Comprehensive Income				
Unrealized gain / (loss) arising on remeasurement				
of available for sale investments	(3,979,729)	11,163,925	(1,985,003)	(3,458,147)
Deferred Tax on Raise on Unrealizable Gain	-	(3,237,538)	-	-
Realization of Revaluation Surplus	-	(11,865,249)	-	-
Total Comprehensive Income for The Period	<u>39,544,078</u>	<u>6,763,701</u>	<u>8,121,687</u>	<u>(2,471,973)</u>

The annexed notes form an integral part of this financial information



Chief Executive



Chief Financial Officer



Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY For Nine Months Ended March 31, 2022 (Un-Audited)

	Share Capital	Revaluation Surplus	RESERVES		TOTAL EQUITY
			CAPITAL	REVENUE	
			Fair value reserve	Accumulated Profits / Losses	
			(Rupees)		
Balance as at 01 July 2020-Audited	90,000,000	164,436,215	22,500,718	(84,179,181)	192,757,752
Profit / (Loss) for the nine months	-	-	-	10,702,563	10,702,563
Realization of surplus on disposal of fixed asset	-	(11,865,249)	-	11,865,249	-
Other comprehensive income for the nine months	-	-	-	7,926,387	7,926,387
Balance as at 31 March 2021	90,000,000	152,570,966	22,500,718	(53,684,983)	211,386,701
Balance as at 01 July 2021-Audited	90,000,000	118,744,520	31,497,277	(4,985,250)	235,256,548
Profit / (Loss) for the nine months	-	-	-	43,523,807	43,523,807
Realization of Revaluation Surplus	-	(4,376,067)	-	4,376,067	-
Other comprehensive income for the nine months	-	-	-	(3,979,729)	(3,979,729)
Balance as at 31 March 2022	90,000,000	114,368,453	31,497,277	38,934,895	274,800,626

The annexed notes form an integral part of this financial information



Chief Executive



Chief Financial Officer



Director

DIAMOND INDUSTRIES LIMITED


CONDENSED INTERIM STATEMENT OF CASH FLOW For Nine Months Ended March 31, 2022 (Un-Audited)


	Mar 31, 2022 Rupees	Mar 31, 2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	59,633,221	11,598,826
Adjustment for Non Cash and other items:		
Depreciation on property, plant and equipment	7,384,035	-
Share of loss of associated company	-	-
Finance cost	13,920	1,705
Gratuity Transferred from Diamond Tyres	-	-
Gain On Disposal Of Fixed Assets	-	(8,500,000)
Dividend Income	(899,291)	(2,595,701)
Cash Flow Before Working Capital Changes	66,131,885	504,830
Working Capital Changes		
(Increase)/Decrease in Current Assets		
Stock in Trade	(56,878,959)	-
Trade Debts	(43,162,020)	706,910
Loans and Advances	23,976,704	(39,101,309)
Other Receivables		
	(76,064,275)	(38,394,399)
Increase/(Decrease) in Current Liabilities		
Trade and Other Payables	9,332,084	(608,014)
Cash Inflow / (Outflow) From Operations	(600,306)	(38,497,583)
Income tax (paid)/Refund	(412,435)	15,960,540
Gratuity paid / adjusted	(795,502)	-
Finance cost paid	(13,920)	(1,705)
Net Cash Inflow / (Outflow) From Operating Activities	(1,822,162)	(22,538,748)
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	899,291	2,595,701
Purchase of fixed assets	(431,800)	-
Disposal Proceeds	-	21,000,000
Interest income	-	-
Net Cash Generated from / (used in) Investing Activities	467,491	23,595,701
CASH FLOW FROM FINANCING ACTIVITIES		
Due to Related Parties and others	-	-
Net Cash Flow from Financing Activities	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents	(1,354,672)	1,056,953
Cash & Cash Equivalents at Beginning of the Period	3,556,206	2,531,672
Cash & Cash Equivalents at End of the Period	2,201,534	3,588,625

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


Chief Executive

8


Chief Financial Officer


Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION For Nine Months Ended March 31, 2022 (Un-Audited)

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated under the Companies Ordinance, 1984 (Now Companies Act 2017) as a Private Limited Company on June 18, 1989 and was converted into Public Limited Company on 3rd August 1994. The shares of the company are quoted on Karachi, Lahore and Islamabad Stock Exchanges of Pakistan. The registered office of the company is situated at Industrial Estate Gadoon, Amazai, Kyber Pakhtoonkhwa. The principal activity of the company is to manufacture and sales of foam products, various industrial chemical/ chemical binders used in textile, leather and wood industries.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34— 'Interim Financial Reporting,' and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2021. These condensed interim financial statements are unaudited.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2021. Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 1, 2021 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in this condensed interim financial information.

4 BASIS OF PREPARATION

These condensed interim financial statements are un-audited and are submitted to the shareholders as required under Section 237 of the Companies Act, 2017. These interim financial statements are prepared in accordance with the requirements of the International Accounting Standards 34 'Interim Financial Reporting'.

5 ACCOUNTING POLICIES

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

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of shares			Un-Audited	Audited
March 31, 2022	June 30, 2021		March 31, 2022	June 30, 2021
			Rupees	Rupees
6,000,000	6,000,000	Fully paid in cash	60,000,000	60,000,000
3,000,000	3,000,000	Fully paid bonus shares	30,000,000	30,000,000
9,000,000	9,000,000		90,000,000	90,000,000

7 CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies from the annual financial statements of the company for the year ended June 30, 2021.

8 Property Plant And Equipments

Book value at the beginning of the period	168,822,355	83,288,685
Add:		
Addition/Transfer of assets	431,800	106,775,350
Disposal of assets	-	(12,500,000)
Depreciation charged during the period	(7,384,035)	(8,741,679)
	<u>161,870,120</u>	<u>168,822,355</u>
Allocation of Depreciation		
Cost of Goods Sold	7,197,373	8,487,647
Administrative Expenses	186,662	254,033
	<u>7,384,035</u>	<u>8,741,679</u>

DIAMOND INDUSTRIES LIMITED

9 LONG TERM INVESTMENT

Investment in related parties:

-under equity method

Diamond Polymers (Pvt.) Ltd

Total

67,215,400	67,215,400
67,215,400	67,215,400

10 STOCK IN TRADE

Raw Materials

213,066,058

158,066,058

Work in Process And Finished Goods

5,407,721

5,639,942

218,473,779 **163,706,000**

11 COST OF SALES

Nine Months Ended

Quarter Ended

	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rupees	Rupees	Rupees	Rupees
Cost of goods manufactured	1,163,440,213	-	457,522,851	-
Opening stock of finished goods	5,639,942	-	5,639,942	-
	1,169,080,155	-	463,162,793	-
Closing Stock of finished goods	(5,407,721)	-	(5,407,721)	-
	1,163,672,434	-	457,755,072	-

12 EARNING PER SHARE

Profit / (loss) after taxation

43,523,807

10,702,563

10,106,690

986,174

Number of share

Issued, subscribed and Paid up Capital

9,000,000

9,000,000

9,000,000

9,000,000

Earnings / (loss) per share

4.84

1.19

1.12

0.11

13 TRANSACTIONS WITH RELATED PARTIES

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

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

Un-Audited	Audited
March 31, 2022	June 30, 2021
Rupees	Rupees

Detail of transactions with related parties;

Sales to related parties:

Diamond Home Textile (Private) Limited	72,859,199	8,160,387
Dolce Vita Home (Private) Limited	-	55,448,968
Diamond Tyres Limited	-	5,700,426
Diamond Product (Private) Limited	205,916,178	-

Purchases from related parties:

Diamond Home Textiles (Private) Limited	35,256,410	8,119,660
Diamond Tyres Limited	746,022,132	275,192,115
Symbol Industries (Private) Limited	277,183,933	-
Diamond Enterprises (Pvt) Ltd	46,083,178	-

Due To Related Parties

137,297,971

137,297,971

This amount is due to related party Mr. Mustafa Luqman against arrangement to pay off the out standing liability of Allied Bank Limited. No terms and conditions / repayments schedule was defined / changed at the reporting date and is payable at the discretion of the company. No provision has been made for any mark-up.

14 GENERAL

14.1 Figures have been rounded off to the nearest rupee.

14.2 This financial information was authorized for issue on 25 April, 2022 by the board of directors of the Company.

Chief Executive

Chief Financial Officer

Director