



DIAMOND

INDUSTRIES LIMITED

QUARTERLY REPORT
For The Period Ended 31 March, 2023



DIAMOND INDUSTRIES LIMITED

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DIAMOND INDUSTRIES LIMITED

CORPORATE PROFILE

BOARD OF DIRECTORS

1.	Mr. Iftikhar Shaffi	Chief Executive	<i>(Executive)</i>
2.	Mr. Qaiser Sakeem Khan	Director	<i>(Independent)</i>
3.	Mr. Imran Kabir	Director	<i>(Independent)</i>
4.	Mr. Muhammad Sameer	Director	<i>(Non-Executive)</i>
5.	Mrs. Seema Iftikhar	Director	<i>(Non-Executive)(Chairman of Board)</i>
6.	Mr. Hashim Aslam Butt	Director	<i>(Non-Executive)</i>
7.	Mr. Mohib Hussain	Director	<i>(Non-Executive)</i>

COMPANY SECRETARY

- Mr. Zahoor Ahmad

CHIEF FINANCIAL OFFICE

- Mr. Munawar Hussain

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

LEGAL ADVISOR

- A.K. Minhas Law Associates

AUDITORS

HLB Ijaz Tabussum & Co.
Office No. 1, 3rd Floor, Madinah Heights, 87-E, Moulana Shoukat Ali Road,
Johar Town Lahore
Tel: 92-42-35173258
E.mail: mataabussum@hotmail.com

BANKERS

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

REGISTERED OFFICE

- Plot No. 2, Gadoon Amazai, Industrial Estate, Swabi, Khyber Pakhtoonkhwa
Tel: 0938-270696, 270697

FACTORY

- Plot No. 2, Gadoon Amazai, Industrial Estate, Swabi, Khyber Pakhtoon khwa
Tel: 0938-270697
E.mail: scil_gad@hotmail.com

PRINCIPLE OFFICE

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

SHARE REGISTRAR

- M/s Corplink (Pvt) Limited
Wings Arcade, 1-K Commercial, Model Town, Lahore
Tel: 042-35916714, 35916719, 35839182
Fax: 042-35869037
E.mail: corplink786@yahoo.com

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, 2023.

BRIEF REVIEW OF OPERATIONS:

The current financial year seems to pose more challenging environment as on date of issue of this report, Country's foreign reserves has been reduced and financial institutions have been refusing to establish new letter of credits for import of raw material which shall ultimately affect the import resilient industry across the country. On the basis of above situation, the company have already ceased/halted its manufacturing operations in Gadoon and same fact was shared on "PUCAR" PSX on Jan.10,2023. However, during the current quarter ended March 31, 2023, the company score the sale revenue of Rs. 70.804 million and Gross Profit of Rs. 1.257 million. After adjustment of operating expenses of Rs. (5.580) million and tax liability of Rs. (10.698) million, the company managed to cap after tax Loss of Rs. (15.028) million against last year's after tax profit of Rs.10.106 million of the corresponding period ended March 31, 2022. The decline in net profit is directly attributable to unprecedented devaluation of Pak rupees against US dollar which has resulted in enormous increase in the price of imported raw material coupled with increase in ever higher inflation rate. This increase in inflation has affected the buying behaviour of the consumer and in order to retain company's market share, the devaluation effect was not passed to the consumer.

As regards disputed matters under litigation with Customs Authorities, FBR, SECP, Stock Exchanges & others, reported in annual financial statements of our company under the head of "Contingencies & Commitments", are being contested vigorously at its proper forums and there is no change in the status of these matters.

FUTURE OUTLOOK:

The management was contemplating to expand its business operation by market penetration strategy, however, country's current economic situation have pose serious threats to the entire business community. Management has been continuously monitoring this situation and will try it best to resume its core business activities.

EARNING PER SHARE:

The earnings per share of the company for the period under review are Rs. (1.67) as compared to Rs. 1.12 in the last corresponding quarter ended March 31, 2022.

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:- 27th April, 2023

DIAMOND INDUSTRIES LIMITED

ڈائریکٹرز رپورٹ

پیارے شیئرز ہولڈرز،

ڈائریکٹرز رپورٹ کے بورڈ آف ڈائریکٹرز کو 31 مارچ 2023 کو ختم ہونے والی سال کے لیے آپ کی کمپنی کے غیر آڈٹ شدہ مالی مائیلیٹی گوشوارے پیش کرنے میں خوشی محسوس ہوتی ہے۔

آپریٹنگ کا مختصر جائزہ:

اس رپورٹ کے اجراء کی تاریخ سے موجود مالی سال میں زیادہ چیلنجنگ ماحول پیدا ہوتا دکھائی دے رہا ہے، ملک کے زرمبادلہ کے ذخائر کم ہو چکے ہیں اور مالیاتی ادارے خام مال کی درآمد کے لیے نئے لیٹر آف کریڈٹس قائم کرنے سے انکار کر رہے ہیں جو بالآخر درآمد چکدہ صنعت کو متاثر کرے گا۔ ملک بھر میں مندرجہ بالا صورتحال کی بنیاد پر، کمپنی نے پہلے ہی گڈون میں اپنے مینوفیکچرنگ آپریٹنگز کو روک دیا ہے اور اسی حقیقت کو جنوری 10, 2023 کو "PUCAR" "PSX" پر شیئر کیا گیا تھا۔ تاہم، 31 مارچ 2023 کو ختم ہونے والی موجودہ سال کے دوران، کمپنی نے روپے کی فروخت سے آمدنی حاصل کی۔ 70.804 ملین روپے اور مجموعی منافع 1.257 ملین۔ آپریٹنگ اخراجات کی ایڈجسٹمنٹ کے بعد روپے (5.580) ملین اور ٹیکس کی ذمہ داری روپے (10.698) ملین، کمپنی ٹیکس کے بعد روپے کے نقصان کو پورا کرنے میں کامیاب رہی۔ (15.028) ملین گزشتہ سال کے 31 مارچ 2022 کو ختم ہونے والی اسی مدت کے 10.106 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں۔ خالص منافع میں کمی براہ راست امریکی ڈالر کے مقابلے میں پاکستانی روپے کی بے مثال قدر میں کمی کی وجہ سے ہے جس کے نتیجے میں ڈالر میں بے پناہ اضافہ ہوا ہے۔ درآمد شدہ خام مال کی قیمت اور مہنگائی کی شرح میں اضافہ۔ مہنگائی میں اس اضافے نے صارفین کے خرید روپے کو متاثر کیا ہے اور کمپنی کے مارکیٹ شیئر کو برقرار رکھنے کے لیے، قدر میں کمی کا اثر صارفین تک نہیں پہنچایا گیا۔ جہاں تک کسٹمز اتھارٹیز کے ساتھ قانونی چارہ جوئی کے تحت متنازعہ معاملات، ایف بی آر، ایس ای سی پی، اسٹاک ایکسچینج اور دیگر، جو ہماری کمپنی کے سالانہ مالیاتی گوشواروں میں "ہنگامی حالات اور وعدوں" کے عنوان کے تحت رپورٹ کیے گئے ہیں، کا اس کے مناسب فورمز پر بھر پور مقابلہ کیا جا رہا ہے اور اس میں کوئی تبدیلی نہیں آئی ہے۔ ان معاملات کی حیثیت میں۔

مستقبل کا نقطہ نظر:

انتظامیہ مارکیٹ میں رسائی کی حکمت عملی کے ذریعے اپنے کاروباری آپریشن کو بڑھانے پر غور کر رہی تھی، تاہم ملک کی موجودہ معاشی صورتحال نے پوری کاروباری برادری کے لیے سنگین خطرات پیدا کر دیے ہیں۔ انتظامیہ اس صورتحال پر مسلسل نظر رکھے ہوئے ہے اور اپنی بنیادی کاروباری سرگرمیاں دوبارہ شروع کرنے کی پوری کوشش کرے گی۔

فی حصص آمدنی:

زیر جائزہ مدت کے لیے کمپنی کی فی حصص آمدنی روپے ہے۔ (1.67) روپے کے مقابلے میں 31 مارچ 2022 کو ختم ہونے والی آخری اسی سے ماہی میں 1.12۔

بورڈ کی طرف سے

اعتراف:

بورڈ آف ڈائریکٹرز عملے، کارکنوں اور دیگر تمام اسٹیک ہولڈرز کی کارکردگی کی اطلاع دی گئی سطح کو حاصل کرنے میں ان کی مسلسل حمایت کے لیے دل کی گہرائیوں سے تعریف کرتا ہے۔


انوار شفیع
چیف ایگزیکٹو

لاہور
تاریخ: 27 اپریل 2023


عمران کبیر
ڈائریکٹر

DIAMOND INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION As At March 31, 2023 (Un-Audited)

	Note	Mar-23	June 2022
Authorized share capital		400,000,000	400,000,000
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		108,917,856	112,909,764
Reserves		31,130,119	83,811,103
Share Holders' Equity		230,047,975	286,720,867
NON CURRENT LIABILITIES			
Due to related parties and others		137,297,971	137,297,971
Deferred liabilities		37,250,256	73,643,753
		174,548,227	210,941,724
CURRENT LIABILITIES			
Trade and other payables		280,352,866	349,701,502
Provision for taxation		35,607,099	23,030,733
		315,959,965	372,732,234
TOTAL EQUITY & LIABILITIES		720,556,167	870,394,826
Contingencies & Commitments	7	-	-
ASSETS			
NON CURRENT ASSETS			
Property Plant And Equipments	8	153,616,975	160,436,587
Long Term Deposits		330,885	330,885
Investments Under equity Method	9	66,877,042	66,877,042
Investments available for sale		65,537,543	75,100,721
		286,362,459	302,745,235
CURRENT ASSETS			
Stock in trade	10	330,196,481	351,844,138
Trade Debts		60,051,444	167,197,407
Loan and Advances		40,938,898	46,887,634
Cash and bank balances		3,006,885	1,720,412
		434,193,708	567,649,591
TOTAL ASSETS		720,556,167	870,394,826

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, 2023 (Un-Audited)

	Note	Nine Months Ended		Quarter Ended	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
		Rupees	Rupees	Rupees	Rupees
Sales - net		969,790,683	1,277,045,551	70,804,807	488,418,476
Cost of raw material sold	11	(932,075,227)	(1,163,672,434)	(69,547,173)	(457,755,072)
Gross profit		37,715,456	113,373,117	1,257,634	30,663,404
Administrative expenses		(11,530,834)	(27,318,944)	(2,449,007)	(7,808,699)
Distribution expenses		(39,974,951)	(27,306,323)	(3,131,570)	(10,158,287)
		(51,505,785)	(54,625,267)	(5,580,577)	(17,966,986)
		(13,790,329)	58,747,850	(4,322,943)	12,696,418
Other Operating income		3,026,561	899,291	-	125,539
Profit/(loss) from Operations		(10,763,768)	59,647,141	(4,322,943)	12,821,957
Finance Cost		(15,280)	(13,920)	(6,780)	-
Share of profit/(loss) of associated companies		-	-	-	-
Profit before Taxation		(10,779,048)	59,633,221	(4,329,723)	12,821,957
TAXATION					
- Current		(12,576,369)	(18,817,594)	(885,061)	(4,056,058)
- Deferred Tax		(11,809,844)	2,708,180	(9,813,385)	1,340,791
		(24,386,212)	(16,109,414)	(10,698,445)	(2,715,267)
(Loss)/Profit after Taxation		(35,165,260)	43,523,807	(15,028,168)	10,106,690
Earning per Share	12	(3.91)	4.84	(1.67)	1.12

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


Chief Executive


Chief Financial Officer


Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME For Nine Months Ended March 31, 2023 (Un-Audited)

	Nine Months Ended		Quarter Ended	
	Mar 31, 2023	Mar 31, 2022	Mar 31, 2023	Mar 31, 2022
	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) for the year	(35,165,260)	43,523,807	(15,028,168)	10,106,690
Other Comprehensive Income				
Unrealized gain / (loss) arising on remeasurement of investments available for sale	(9,563,178)	(3,979,729)	(7,308,658)	(1,985,003)
Related Deferred tax	1,434,477	-	-	-
Total Comprehensive Income / (loss) for the year	(43,293,961)	39,544,078	(22,336,826)	8,121,687

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



Chief Executive



Chief Financial Officer



Director

DIAMOND INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY For Nine Months Ended March 31, 2023 (Un-Audited)

	Share Capital	Revaluation Surplus	RESERVES		TOTAL EQUITY
			CAPITAL	REVENUE	
			Fair value reserve	Accumulated Profits / Losses	
			(Rupees)		
Balance as at 01 July 2021	90,000,000	118,744,520	31,497,277	(4,985,250)	235,256,547
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 year	-	-	-	(3,979,729)	(3,979,729)
Balance as at 30 June 2022	90,000,000	114,368,453	31,497,277	38,934,895	274,800,625
Balance as at 01 July 2022 - Audited	90,000,000	114,368,453	31,497,277	38,934,895	274,800,625
Profit / (Loss) for the nine months	-	-	-	(35,165,260)	(35,165,260)
Realization of Revaluation Surplus	-	(3,991,908)	-	3,991,908	-
Other comprehensive income for the nine months	-	-	(8,128,701)	-	(8,128,701)
Balance as at 31 March 2023	90,000,000	110,376,545	23,368,576	7,761,543	231,506,664

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 FLOWS For Nine Months Ended March 31, 2023 (Un-Audited)

	March 31, 2023 Rupees	March 31, 2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(10,779,048)	59,633,221
Adjustment for Non Cash and other items:		
Depreciation on property, plant and equipment	6,819,611	7,384,035
Share of loss of associated company	-	-
Finance cost	(15,280)	13,920
Gratuity expense	2,659,333	-
Gratuity Transferred from Diamond Tyres	-	-
Gain On Disposal Of Fixed Assets	-	-
Dividend Income	(3,026,561)	(899,291)
Cash Flow Before Working Capital Changes	(9,645,331)	66,131,885
Working Capital Changes		
(Increase)/Decrease in Current Assets		
Stock in Trade	21,647,657	(56,878,959)
Trade Debts	107,145,963	(43,162,020)
Loans and Advances	6,407,384	23,976,704
Other Receivables		
	135,201,004	(76,064,275)
Increase/(Decrease) in Current Liabilities		
Trade and Other Payables	(69,348,636)	9,332,084
Cash Inflow / (Outflow) From Operations	56,207,037	(600,306)
Income tax (paid)/Refund	(458,650)	(412,435)
Finance cost paid	15,280	(13,920)
Gratuity paid / adjusted	(57,503,741)	(795,502)
Net Cash Inflow / (Outflow) From Operating Activities	(1,740,074)	(1,822,163)
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	3,026,561	899,291
Purchase of fixed assets	-	(431,800)
Disposal Proceeds	-	-
Interest income	-	-
Net Cash Generated from / (used in) Investing Activities	3,026,561	467,491
CASH FLOW FROM FINANCING ACTIVITIES		
Due to Related Parties and others	-	-
Net Cash Flow from Financing Activities	-	-
Net (Decrease) in Cash & Cash Equivalents	1,286,473	(1,354,673)
Cash & Cash Equivalents at Beginning of the Year	1,720,412	3,556,206
Cash & Cash Equivalents at End of the year	3,006,885	2,201,533

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, 2023 (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, 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, 2022. 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, 2022. Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 1, 2022 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, 2023	June 30, 2022		March 31, 2023	June 30, 2022
			Rupees	Rupees
6,000,000	6,000,000	Fully paid in cash	60,000,000	60,000,000
3,000,000	3,000,000	Fully paid bonus shares	30,000,000	30,000,000
<u>9,000,000</u>	<u>9,000,000</u>		<u>90,000,000</u>	<u>90,000,000</u>

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, 2022.

DIAMOND INDUSTRIES LIMITED

8	Property Plant And Equipments	Un-Audited	Audited
		March 31, 2023	June 30, 2022
		Rupees	Rupees
	Property Plant And Equipments	153,616,975	160,436,587
	Book value at the beginning of the period	160,436,586	168,822,355
	Add:		
	Addition/Transfer of assets		1,460,500
	Disposal of assets	-	-
	Depreciation charged during the period	(6,819,611)	(9,846,269)
		<u>153,616,975</u>	<u>160,436,586</u>
	Allocation of Depreciation		
	Cost of Goods Sold	6,564,129	9,596,497
	Administrative Expenses	255,482	249,772
		<u>6,819,611</u>	<u>9,846,269</u>

9 LONG TERM INVESTMENT

Investment in related parties: -under equity method

Diamond Polymers (Pvt.) Ltd	67,215,400	67,215,400
Total	67,215,400	67,215,400

10 STOCK IN TRADE

Raw Materials	26,965,439	26,965,439
Work in Process And Finished Goods	303,231,042	303,231,042
	<u>330,196,481</u>	<u>330,196,481</u>

11 COST OF SALES

	Nine Months Ended		Quarter Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees	Rupees	Rupees	Rupees
Cost of goods manufactured	1,209,780,506	1,163,440,213	369,547,173	457,522,851
Opening stock of finished goods	25,407,721	5,639,942	25,407,721	5,639,942
	<u>1,235,188,227</u>	<u>1,169,080,155</u>	<u>394,954,894</u>	<u>463,162,793</u>
Closing Stock of finished goods	(303,113,000)	(5,407,721)	(303,113,000)	(5,407,721)
	<u>932,075,227</u>	<u>1,163,672,434</u>	<u>91,841,894</u>	<u>457,755,072</u>

12 EARNING PER SHARE

Profit / (loss) after taxation	(35,165,260)	43,523,807	(15,028,168)	10,106,690
	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	(3.91)	4.84	(1.67)	1.12

DIAMOND INDUSTRIES LIMITED

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, 2023	June 30, 2022
Rupees	Rupees

Detail of transactions with related parties;

Sales to related parties:

Diamond Home Textile (Private) Limited	-	79,703,225
Dolce Vita Home (Private) Limited	-	-
Diamond Tyres Limited	-	-
Diamond Product (Private) Limited	231,814,300	226,447,718

Purchases from related parties:

Diamond Home Textiles (Private) Limited	-	35,256,410
Diamond Tyres Limited	481,894,093	1,128,385,176
Symbol Industries (Private) Limited	206,552,601	411,356,271
Diamond Enterprises (Pvt) Ltd		46,083,178

14 GENERAL

14.1 Figures have been rounded off to the nearest rupee.

14.2 This financial information was authorized for issue on 27 April, 2023 by the board of directors of the Company.



Chief Executive



Chief Financial Officer



Director