



1st Quarter Accounts
for the Period Ended
September 30, 2020

D S INDUSTRIES LIMITED

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Company Information

Board of Directors	Mr. Pervez Ahmed Mr. Ali Pervez Ahmed Mr. Suleman Ahmed Mr. Atta ur Rehman Mr. Khawar Mahmud Mr. Mazhar Pervaiz Malik Mrs. Rukhsana Khalid	Chief Executive
Audit Committee	Mr. Khawar Mahmud Mrs. Rukhsana Khalid Mr. Mazhar Pervaiz Malik	Chairman
Chief Financial Officer	Mr. M. Naeem Akhtar	
Company Secretary	Mr. Salman Farooq	
Auditors	M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti Advocates & Solicitors	
Banks	Al Baraka Bank (Pakistan) Limited Bank AlFalah Limited Bank AlHabib Limited Dubai Islamic Bank Pakistan Limited MCB Bank Limited Meezan Bank Limited Silk Bank Limited	
Registered Office	20-K, Gulberg II, Lahore.	
Share Registrars	THK Associates (Pvt.) Limited First Floor, 40-C, Block - 6 P.E.C.H.S. Karachi - 75400	
Mills	11th KM Sheikhpura Faisalabad Road, Sheikhpura	
Website	www.dsil.com.pk	

DIRECTORS' REPORT

The Board of Directors of D S Industries Limited is pleased to present the Company's un-audited financial statements for the first quarter ended September 30, 2020.

Financial Results of the Company

During the quarter under review, the Company has recorded a net sale of Rs. 31.90 million and a gross profit of Rs. 2.08 million as compared with a net sale of Rs. 30.30 million and gross profit of Rs. 6 million in the corresponding quarter of the last year. Sales for the quarter ended increased by 5.28%; however, revenue growth was not enough to set-off the increase of 22.76% in the cost of sales due to rise in the cost of raw material. Net loss after tax recorded at Rs. 2.09 million as compared to a net loss after tax of Rs. 9.8 million in the corresponding quarter of the last year. The loss per share for the quarter ended September 30, 2020, recorded at Rs. 0.02 as compared to a loss per share of Rs. 0.12 for the same period of last year.

Future Outlook

Instability and uncertainty are prevailing in the local businesses backed by adverse economic circumstances, such as rising inflation and high oil prices. However, the macro indicators have started to improve due to strict fiscal and monetary measures taken by the government. The inflation rate is increasing gradually, and if not controlled this could result in the increase of the policy rate, which could seriously affect the economic activities. Further, it is the time that the policymakers start thinking long term so that businesses can plan over long term horizons.

Acknowledgement

The Board is thankful to its valued shareholders for their confidence in the Company, its customers, the Securities & Exchange Commission of Pakistan and to the management of Pakistan Stock Exchange Limited for their valuable support, assistance and guidance. The Board also appreciates the employees of the Company for their dedication and hard work.

Lahore
November 29, 2020

For & on behalf of the Board


Ali Pervez Ahmed
Director


Pervez Ahmed
Chief Executive

D.S. INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

	Note	Sep. 30,2020 (Un-Audited) Rupees	June 30,2020 (Audited) Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
100,000,000 (2020:100,000,000) ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital		836,856,310.00	836,856,310
Discount on issue of shares		(82,899,709.00)	(82,899,709)
Surplus on revaluation of property, plant and equipment		235,315,776.00	235,315,776
Accumulated losses		(808,356,591.00)	(806,269,317)
		180,915,786.01	183,003,060
Non Current Liabilities			
Long term finances		102,475,762.00	103,975,762
Deferred interest/mark-up		10,388,866.00	8,116,146
Employees retirement benefits		1,415,225.00	1,435,225
		114,279,853.00	113,527,133
Current Liabilities			
Trade and other payables		102,433,964.00	96,533,222
Unclaimed dividend		337,563.00	337,563
Short term borrowings		59,494,528.00	61,810,565
Current portion of non-current liabilities		6,500,000.00	6,000,000
Provision for taxation		478,573.00	1,765,989
		169,244,628.00	166,447,339
Contingencies and Commitments			
	4	-	-
		464,440,267.01	462,977,532
ASSETS			
Non-Current Assets			
Property, plant & equipments	5	340,535,999.00	343,661,165
Long term investments		73,815,514.00	70,279,379
Long term deposits		19,672,394.00	19,672,394
Deferred taxation		8,739,874.00	8,739,874
		442,763,781.00	442,352,812
Current Assets			
Stores, spares & loose tools		893,089.00	922,439
Stock in trade		13,642,399.00	13,092,866
Advances, prepayments & other receivables		3,519,025.00	2,178,478
Advance income tax		2,463,009.00	3,697,131
Bank balances		1,158,964.00	733,806
		21,676,486.00	20,624,720
		464,440,267.00	462,977,532

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

D.S. INDUSTRIES LIMITED**CONDENSED INTERIM PROFIT OR LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

		July 1 to September 30 2020	July 1 to September 30 2019
	Note	(Un-Audited)	(Un-Audited)
		Rupees	Rupees
Sales - net		31,904,883	30,300,789
Cost of sales	6	(29,822,586)	(24,292,161)
Gross profit		2,082,297	6,008,628
Selling and distribution expenses		(7,181,276)	(3,995,805)
Administrative and general expenses		(3,101,856)	(5,994,391)
Other expenses		(91,173)	(1,055,005)
		(10,374,305)	(11,045,201)
		(8,292,008)	(5,036,573)
Other income		5,428,480	2,385,917
Operating (loss)		(2,863,528)	(2,650,656)
Finance charges		(2,281,307)	(4,183,222)
Share of profit / (loss) of associates		3,536,134	(2,516,429)
(Loss) before taxation		(1,608,701)	(9,350,307)
Taxation		(478,573)	(454,512)
(Loss) after taxation		(2,087,274)	(9,804,819)
(Loss) per share - basic and diluted		(0.02)	(0.12)

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

D.S. INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	July 1 to September 30 2020 (Un-Audited) Rupees	July 1 to September 30 2019 (Un-Audited) Rupees
(Loss) after taxation	(2,087,274)	(9,804,819)
Deferred tax adjustment on surplus on revaluation of property, plant and equipment attributable to change in tax rates	-	-
Total comprehensive (loss) for the quarter	(2,087,274)	(9,804,819)

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

D.S. INDUSTRIES LIMITED**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	July 1 to September 30 2020 (Un-Audited) Rupees	July 1 to September 30 2019 (Un-Audited) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(1,608,701)	(9,350,307)
Adjustments for:		
- Interest/markup on borrowings	2,272,720	4,149,258
- Share (profit) / loss of associate	(3,536,134)	2,516,429
- Loss on disposal of property, plant & equipments	-	972,305
- Depreciation for the period	3,125,166	3,235,013
	1,861,752	10,873,005
Operating profit before working capital changes	253,051	1,522,698
(Increase) / decrease in current assets		
- Stores, spares and loose tools	29,350	518,999
- Stock in trade	(549,533)	(6,465,350)
- Trade debts	-	2,072,413
- Advances, prepayments and other receivables	(106,425)	4,736,198
- Trade & other payable	5,900,741	(6,706,919)
	5,274,133	(5,844,659)
Cash Flow From Operating Activities	5,527,184	(4,321,961)
Payments for:		
- Employees retirement benefits	(20,000)	(4,042,527)
- Interest/Markup	-	(3,754,000)
- Income tax	(1,765,989)	-
	(1,785,989)	(7,796,527)
Net Cash used in Operating Activities	3,741,195	(12,118,488)
Cash Flow From Investing Activities		
- Capital expenditure	-	(1,500,000)
- Proceed from disposal of property, plant & equipments	-	23,267,165
Net Cash Generated from Investing Activities	-	21,767,165
Cash Flow From Financing Activities		
- Repayment of long term financing	(1,000,000)	-
- Net (payment) receipt in short term borrowings	(2,316,037)	(7,514,980)
Net Cash Generated from Financing Activities	(3,316,037)	(7,514,980)
Net Increase / (decrease) in Cash & Cash Equivalents	425,158	2,133,697
Cash and cash equivalents at the beginning of the period	733,806	1,805,017
Cash and Cash Equivalents at the End of the period	1,158,964	3,938,714

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

**CHIEF EXECUTIVE****CHIEF FINANCIAL OFFICER****DIRECTOR**

D.S. INDUSTRIES LIMITED**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Share Capital	Discount on Issue of Shares	Surplus on Revaluation of Property, Plant & Equipments	Un-Appropriated (Loss)	Total Equity
	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)
Balance as at July 1, 2019	836,856,310	(82,899,709)	248,821,289	(786,324,295)	216,453,595
Profit for the period	-	-	-	(9,804,819)	(9,804,819)
Balance as at September 30, 2019	836,856,310	(82,899,709)	248,821,289	(796,129,114)	206,648,776
Balance as at July 1, 2020	836,856,310	(82,899,709)	235,315,776	(806,269,317)	183,003,060
Loss for the period	-	-	-	(2,087,274)	(2,087,274)
Balance as at September 30, 2020	836,856,310	(82,899,709)	235,315,776	(808,356,591)	180,915,786

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


CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

D.S. INDUSTRIES LIMITED**SELECTED NOTES TO THE CONDENSED INTERIM UN-AUDITED FINANCIAL
STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

Note 1

The Company and its Operations**LEGAL STATUS AND OPERATIONS**

D.S. Industries Limited [the Company] is incorporated in Pakistan as a Private Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and was subsequently converted into a Public Limited Company. The Company is listed on Pakistan Stock Exchange Limited. The Company is engaged in manufacturing & sale of textile goods. The registered office of the Company is situated at 20-K, Gulberg II, Lahore. The manufacturing facility is located at 11 KM, Sheikhpura Faisalabad Road, Sheikhpura, in the Province of Punjab.

Note 2

Basis of Preparation

These accounts have been prepared in accordance with the requirements of the Companies Act, 2017 and International accounting Standard, IAS 34 "Interim Financial Reporting."

This condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2020. Comprehensive balance sheet is extracted from annual audited financial statements for the year ended June 30, 2020 whereas comparative profit or loss account, statement of comprehensive income, statement of changes in equity and cash flow statement are stated from unaudited interim financial statements for the quarter ended on September 30, 2019.

Note 3

Accounting Policies

The accounting policies and methods of computation followed in the preparation of these financial statements are the same as those of the published in the annual financial statements of the Company for the year ended June 30, 2020.

Note 4

Contingencies and Commitments**Contingencies**

Gas Infrastructure Development Cess [GIDC] has been levied with effect from December 15, 2011 on industrial gas customers firstly through OGRA notification and subsequently via GID Cess Ordinance 2014 and GID Cess Act 2015. The Company, along with other industrial concerns, has filed a writ petition in the Honorable High Court of Sindh challenging the imposition of GIDC. On October 26, 2016, the Honorable High Court of Sindh held that enactment of GIDC Act 2015 is ultra-vires to the constitution of Pakistan. The Company has not recognised any provision relating to GIDC aggregating to Rs. 18.8 million.

Commitments

There are no known commitments as at the reporting date.

Note 5

Property, plant & equipments

	September 30, 2020 (Un-Audited) Rupees	September 30, 2019 (Un-Audited) Rupees
Opening written down value	343,661,165	371,830,271
Additions during the period/year	-	1,500,000
	343,661,165	373,330,271
Adjustments	-	(24,239,470)
Depreciation charge for the period	(3,125,166)	(3,235,013)
	<u>340,535,999</u>	<u>345,855,788</u>

1st Quarter Accounts September 30, 2020

Note 6	Quarter Ended September 30,	Quarter Ended September 30,
Cost of Sales	2020	2019
	(Un-Audited)	(Un-Audited)
	Rupees	Rupees
Raw material consumed	13,789,092	12,713,864
Stores & accessories consumed	1,147,795	2,216,422
Salaries, wages & benefits	9,228,439	10,316,978
Fuel & power	1,082,010	2,110,994
Repair & maintenance	27,935	158,660
Insurance	-	42,866
Rent, rates & taxes	1,275,000	750,000
Depreciation	2,940,300	3,100,039
Others	-	15,854
	<u>29,490,571</u>	<u>31,425,677</u>
Work-in-process		
At the beginning of the period	3,213,800	2,790,100
At the end of the period	(3,678,870)	(6,923,556)
	<u>(465,070)</u>	<u>(4,133,456)</u>
Finished goods		
At the beginning of the period	5,310,417	1,965,933
At the end of the period	(4,513,332)	(4,965,993)
	<u>797,085</u>	<u>(3,000,060)</u>
	<u>29,822,586</u>	<u>24,292,161</u>

Note 7

Transactions with Related Parties

The related parties comprises related group companies, associated companies, directors and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment.

	July 1 to September 30, 2020	July 1 to September 30, 2019
	(Un-Audited)	(Un-Audited)
	Rupees	Rupees
Loan (repaid) to directors & associates - Net	(2,316,037)	(7,664,685)

Note 8

Authorization of Financial Statements

These interim financial statements have been authorized for issue on October 29, 2020 by the Board of Directors of the Company.

Note 9

General

Figures have been rounded off to the nearest rupees.

Figures of the corresponding period have been re-arranged, wherever necessary, to facilitate comparison. No material rearrangement has been made during the period.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

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