



COMPANY INFORMATION

BOARD OF DIRECTORS : Ijaz Hameed Chairman / Non Executive Director
Mohammad Hameed (Chief Executive) / Director
Farooq Hameed Executive Director
Aamer Hameed Non Executive Director
Tariq Hameed Non Executive Director
Abid Hussain Independent Director
Murtaza Hameed Non Executive Director

COMPANY SECRETARY : Usman Khalid

CHIEF FINANCIAL OFFICER : Farooq Hameed A.C.A (England & Wales)

AUDIT COMMITTEE : Abid Hussain (Chairman)
Tariq Hameed (Member)
Murtaza Hameed (Member)

HUMAN RESOURCE & REMUNERATION COMMITTEE : Ijaz Hameed (Chairman)
Aamer Hameed (Member)
Tariq Hameed (Member)

BANKERS : Habib Bank Limited
The Bank of Punjab

AUDITORS : Horwath Hussain Chaudhury & Co.
Chartered Accountants

REGISTERED OFFICE : 38-Empress Road, Lahore.
Telephones : 3630 4561-3, 3636 7862-3
Telefax : (92-42) 3636 7861
E-mail : info@prime-service.com

MILLS : G.T Road, Gujrat
Telephone : (053) 3514 065, 353 5085
Telefax : (92-53) 3513 700

Web Reference : www.prime-service.com

Share Registrar : Corplink (Pvt) Ltd.
Wings Arcade, 1-K Commercial Model Town,
Lahore. Tel: 042-3583 9182, 3591 6719



DIRECTORS' REPORT

The Directors of your Company present before you the un-audited financial statements for the quarter ended September 30, 2013. The financial results are as follows:

	30.09.13 (Rupees 000)	30.09.12 (Rupees 000)
Net Profit for the period	15,413	23,361
Accumulated loss brought forward	(307,340) (291,927)	(377,667) (354,306)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation- net of deferred tax	1,204 (290,722)	1,338 (352,968)
Earning per share - Basic	3.46	5.25

During the current period Company has earned a gross profit of Rs.15.413 million as compared to gross profit of Rs. 23.361 million for the same period in previous year. The directors of your company are committed to run the company at any cost. After the settlement of principal portion of loan obtained from Bank of Punjab by the directors in the preceding year the company has also paid the loan obtained from Habib Bank Limited in the current period under review.

Major threat for textiles industry is power disruption due to shut down of gas in the coming months which will affect the production capacity adversely and will increase production costs by using alternate source of energy. The Government has also increased the tariffs of both electricity and gas which will increase the production cost. We are fully aware of the challenges and are prepared to do everything possible to mitigate the adverse impact of such an event after as far as it is under the control limit of management. We remain hopeful of the improving macro and micro economic situation of the country.

For and on behalf of the Board of Directors

Lahore
31 October, 2013

MOHAMMAD HAMEED
Chief Executive



BALANCE SHEET AS AT SEPTEMBER 30, 2013

	Note	September 30 2013 (Unaudited) Rupees (000)	June 30, 2013 (Audited) Rupees (000)
ASSETS			
Non Current Assets			
Property, plant and equipment	3	362,541	362,481
Long term deposits		7,477	7,477
Current Assets			
Stores and spares		2,512	2,933
Stock in trade		55,969	41,524
Trade debts- Unsecured considered good		2,846	3,780
Advances and other receivables		11,759	11,276
Cash and bank balances		10,868	18,280
		83,955	77,793
Less: Current Liabilities			
Trade and other payables		41,610	36,369
Accrued markup/interest		-	-
Short term borrowings		375	475
Current and overdue portion of non current liabilities		17,572	26,145
Provision for taxation		7,681	6,797
		67,238	69,786
Less: Non Current Liabilities			
Long term financing		272,711	278,571
Staff retirement benefits		2,854	2,969
Deferred tax liability		25,294	25,943
		300,859	307,483
		85,877	70,483
REPRESENTED BY:			
Authorised capital			
10,000,000 (June 30,2013: 10,000,000)			
ordinary shares of Rs 10 each.		100,000	100,000
Issued, subscribed and paid up capital			
4,449,159(June 30,2013: 4,449,159)			
ordinary shares of Rs. 10 each.		44,492	44,492
Share deposit money		38,250	38,250
General reserve		35,000	35,000
Revaluation surplus		258,858	260,081
Accumulated loss		(290,722)	(307,340)
		85,877	70,483

Mohammad Hameed
Chief Executive

Farooq Hameed
Director



UN-AUDITED PROFIT & LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2013

		Quarter Ended September 30, 2013	Quarter Ended September 30, 2012
	Notes	(Unaudited) Rupees (000)	(Audited) Rupees (000)
Sales		176,683	162,451
Cost of Sales	4	(156,400)	(132,648)
Gross Profit		20,283	29,803
Operating Expenses:			
Administrative and selling expenses	5	(4,659)	(3,560)
Operating Profit		15,624	26,243
Financial cost		(5)	(2,808)
Other operating Income		10	17
		5	(2,791)
Profit before taxation		15,629	23,452
Provision for taxation		(216)	(92)
Profit after taxation		15,413	23,361
Earnings per Share - Basic		3.46	5.25

Mohammad Hameed
Chief Executive

Farooq Hameed
Director



**STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	Quarter Ended September 30, 2013	Quarter Ended September 30, 2012
	(Unaudited) Rupees (000)	(Audited) Rupees (000)
Profit after Taxation	15,413	23,361
Transfer from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current year - net of deferred tax	1,204	1,338
Other Comprehensive Income for the period	1,204	1,338
Total Comprehensive Income for the period	16,617	24,699

Mohammad Hameed
Chief Executive

Farooq Hameed
Director



UN-AUDITED CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Quarter Ended September 30, 2013	Quarter Ended September 30, 2012
	(Unaudited) Rupees (000)	(Audited) Rupees (000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,629	23,452
Adjustments for :		
Depreciation	3,763	4,056
Provision for gratuity for the period	991	653
Finance cost	5	2,808
	4,759	7,517
Operating Profit before working capital changes	20,388	30,969
(Increase) / decrease in current assets:		
Stores and spares	421	(205)
Stock in trade	(14,445)	12,628
Trade Debts	933	(3,413)
Advances, deposits, prepayments and other receivables	(413)	5,819
Increase/(Decrease) in current liabilities:		
Creditors, accrued and other liabilities	5,241	(9,634)
	(8,262)	5,195
Cash generated from working capital changes	12,126	36,164
Income tax paid	(70)	(30)
Financial charges paid	(5)	(3,926)
Gratuity paid	(1,106)	(1,134)
Net Cash Generated from operating activities	10,945	31,074
CASH FLOW FROM INVESTING ACTIVITIES		
Property , plant and equipment purchased	(3,823)	-
Net cash used in Investing Activities	(3,823)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances	(14,433)	(629)
Short term finances	(100)	(19,858)
Net cash used in Financing Activities	(14,533)	(20,487)
Net (Decrease) / Increase in Cash and Cash Equivalents	(7,411)	10,587
Cash and Cash Equivalents at the beginning of the Year	18,280	1,406
Cash and Cash Equivalents at the end of the Year	10,868	11,993

Mohammad Hameed
Chief Executive

Farooq Hameed
Director



STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Share capital Rupees (000)	General Reserve Rupees (000)	Share deposit money Rupees (000)	Accumulated loss Rupees (000)	Total Rupees (000)
Balance as on June 30, 2012	44,492	35,000	38,250	(377,667)	(259,925)
Total Comprehensive income for the period				24,699	24,699
Balance as on September 30, 2012	44,492	35,000	38,250	(352,968)	(235,226)
Balance as on June 30, 2013	44,492	35,000	38,250	(307,340)	(189,598)
Total Comprehensive income for the period				16,617	16,617
Balance as on September 30, 2013	44,492	35,000	38,250	(290,722)	(172,981)


Mohammad Hameed
 Chief Executive


Farooq Hameed
 Director



NOTES TO THE ACCOUNTS FOR THE QUARTER ENDED SEPTEMBER 30, 2013

1. THE COMPANY AND ITS ACTIVITIES

Service Industries Textile Limited was incorporated in Pakistan in 1962 as a Private Limited Company under the Companies Act 1913, (Now Companies Ordinance 1984) and was subsequently converted into a Public Limited Company in 1970. The Company is Listed on Karachi and Lahore Stock Exchanges. The company is engaged in manufacturing and sale of yarn.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial statement

These financial statements are un-audited and are being submitted to shareholders as required u/s 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the International Accounting Standard No. 34: Interim Financial reporting as applicable in Pakistan as notified by Securities & Exchange Commission of Pakistan.

2.2 Accounting Convention

The accounting policies and method of computation adopted for the preparation of these Interim accounts are the same as applied in the preparation of preceding annual published accounts of the company for the period ended June 30, 2013.

3. PROPERTY, PLANT & EQUIPMENT	September 30 2013 (Unaudited) Rupees (000)	September 30 2012 (Unaudited) Rupees (000)
Operating fixed assets	361,912	370,135
Capital work in progress	630	-
	362,541	370,135



4. COST OF SALES	September 30 2013	September 30 2012
	(Unaudited) Rupees (000)	(Unaudited) Rupees (000)
Raw material consumed	116,115	98,630
Stores	4,535	3,325
Fuel and power	20,286	13,738
Salaries & wages	14,515	10,876
Repair & maintenance	1,244	1,581
Depreciation	3,743	4,035
	160,437	132,185
Work in process		
Opening	3,821	2,645
Closing	(3,920)	(2,335)
	(99)	310
Finished Goods		
Opening	3,665	6,503
Closing	(7,604)	(6,350)
	(3,939)	153
	156,400	132,648

5 ADMINISTRATIVE AND SELLING EXPENSES	September 30 2013	September 30 2012
	(Unaudited) Rupees (000)	(Unaudited) Rupees (000)
Salaries & Benefits	2,555	1,712
Utilities	223	123
Printing & Stationery	51	23
Communication	166	151
Travelling & conveyance	154	105
Repairs & Maintenance	101	52
Rent, rates & Taxes	107	112
Vehicle running & Maintenance	560	527
Legal & Professional charges	194	98
Entertainment	269	237
Newspaper & Periodicals	10	18
Donations	46	21
Miscellaneous	94	29
Commission	109	330
Depreciation	20	20
	4,659	3,560



6. AUTHORIZED FOR ISSUE

These financial statements were approved by the board of directors and authorized for issue on 31 October 2013.

7. CORRESPONDING FIGURES

Figures have been rounded off to the nearest thousand of rupee.

Corresponding figures have been re-arranged and re-grouped where-ever necessary for the purpose of comparison.

Mohammad Hameed
Chief Executive

Farooq Hameed
Director

PRINTED MATTER

If Undelivered Please return to:
SERVICE INDUSTRIES TEXTILES LIMITED
38-Empress Road, Lahore. 54000



Service Industries Textiles Limited
QUARTERLY REPORT
UN-AUDITED
1st Quarter Ended
September 30, 2013

