



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 : The Bank of Punjab

AUDITORS : Horwath Hussain Chaudhury & Co.
Chartered Accountants

INTERNAL AUDITOR : Awan & 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.prim-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, 2014. The financial results are as follows:

	<u>30.09.14</u> (Rupees 000)	<u>30.09.13</u> (Rupees 000)
Net Profit for the period	13,390	15,413
Accumulated loss brought forward	<u>(280,493)</u>	<u>(307,340)</u>
	(267,103)	(291,927)
Transfer from surplus on revaluation Of fixed assets in respect of incremental Depreciation- net of deferred tax	<u>2,297</u>	<u>1,204</u>
	<u>(264,806)</u>	<u>(290,723)</u>
Earning per share - Basic	3.01	3.46

During the current period Company has earned a net profit of Rs.13.390 million as compared to net profit of Rs. 15.413 million for the same period in previous year.

Textile sector is already facing an uphill task due to power shortage. The non availability of gas to textile sector in Punjab has make it highly in competitive as compared to textile sector established in other provinces. This along with the inflated rates of gas and other surcharge like GIDC will affect the production capacity adversely and which will eventually result in squeezing of the profit margins.

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
30 October, 2014

MOHAMMAD HAMEED
Chief Executive

**BALANCE SHEET AS AT SEPTEMBER 30, 2014**

		September 30 2014	June 30, 2014
	Note	(Unaudited) Rupees (000)	(Audited) Rupees (000)
ASSETS			
Non Current Assets			
Property, plant and equipment	3	505,860	510,630
Long term deposits		8,868	8,868
Current Assets			
Stores and spares		4,390	3,308
Stock in trade		50,148	28,116
Trade debts- Unsecured considered good		131	1,907
Advances and other receivables		13,833	13,510
Cash and bank balances		13,268	17,557
		81,770	64,397
Less: Current Liabilities			
Trade and other payables		43,857	37,952
Short term borrowings		275	275
Current and overdue portion of non current liabilities		19,371	23,742
Provision for taxation		7,400	6,896
		70,903	68,865
Less: Non Current Liabilities			
Long term financing		240,320	243,361
Staff retirement benefits		9,570	9,791
Deferred tax liability		42,249	41,811
		292,139	294,963
		<u>233,456</u>	<u>220,067</u>
REPRESENTED BY:			
Authorised capital			
10,000,000 (June 30,2014: 10,000,000) ordinary shares of Rs 10 each.			
		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid up capital			
4,449,159 (June 30,2014: 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		380,520	382,817
Accumulated loss		(264,806)	(280,493)
		<u>233,456</u>	<u>220,067</u>

Mohammad Hameed
Chief ExecutiveFarooq Hameed
Director

**UN-AUDITED PROFIT & LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

		Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	Notes	(Unaudited) Rupees (000)	(Audited) Rupees (000)
Sales		154,913	176,683
Cost of Sales	4	(133,197)	(156,400)
Gross Profit		21,717	20,283
Operating Expenses:			
Distribution Cost		(146)	(109)
Administrative expenses	5	(5,774)	(4,550)
Operating Profit		15,798	15,624
Financel cost		(9)	(5)
Other operating Income		781	10
		772	5
Profit before taxation		16,569	15,629
Provision for taxation		(3,180)	(216)
Profit after taxation		13,390	15,413
Earnings per Share - Basic		3.01	3.46

Mohammad Hameed
Chief ExecutiveFarooq Hameed
Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

	Quarter Ended September 30, 2014 (Unaudited) Rupees (000)	Quarter Ended September 30, 2013 (Audited) Rupees (000)
Net Profit for the Year	13,390	15,413
Other Comprehensive Income for the period		
Items that will not be reclassified to profit and loss		
Experience adjustment on remeasurement of staff retirement benefits - net of deferred tax	-	-
Unrecognized actuarial losses / transitional liability on remeasurement of staff retirement benefits - net of deferred tax	-	-
Total Comprehensive Income for the period	<u>13,390</u>	<u>15,413</u>

Mohammad Hameed
Chief ExecutiveFarooq Hameed
Director



UN-AUDITED CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Quarter Ended September 30, 2014	Quarter Ended September 30, 2013
	(Unaudited) Rupees (000)	(Audited) Rupees (000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	16,569	15,629
Adjustments for :		
Depreciation	5,439	3,763
Provision for gratuity for the period	987	991
Finance cost	9	5
	<u>6,435</u>	<u>4,759</u>
Operating Profit before working capital changes	23,004	20,388
(Increase) / decrease in current assets:		
Stores and spares	(1,083)	421
Stock in trade	(22,032)	(14,445)
Trade Debts	1,776	933
Advances, deposits, prepayments and other receivables	(245)	(413)
Increase/(Decrease) in current liabilities:		
Creditors, accrued and other liabilities	5,905	5,241
	<u>(15,678)</u>	<u>(8,263)</u>
CASH GENERATED FROM WORKING CAPITAL CHANGES	7,327	12,125
Income tax paid	(2,317)	(70)
Financial charges paid	(9)	(5)
Gratuity paid	(1,209)	(1,106)
Net Cash Generated from operating activities	<u>3,792</u>	<u>10,944</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Property , plant and equipment purchased	(301)	(3,823)
Capital Work in process	(368)	-
Net cash used in Investing Activities	<u>(669)</u>	<u>(3,823)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances	(7,411)	(14,433)
Short term finances	-	(100)
Net cash used in Financing Activities	<u>(7,411)</u>	<u>(14,533)</u>
Net Decrease in Cash and Cash Equivalents	<u>(4,289)</u>	<u>(7,412)</u>
Cash and Cash Equivalents at the beginning of the Year	17,557	18,280
Cash and Cash Equivalents at the end of the period	<u><u>13,268</u></u>	<u><u>10,868</u></u>

Mohammad Hameed
Chief Executive

Farooq Hameed
Director



STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Share capital Rupees (000)	General Reserve Rupees (000)	Share deposit money Rupees (000)	Accumulated loss Rupees (000)	Total Rupees (000)
Balance as at June 30, 2013	44,492	35,000	38,250	(307,340)	(189,598)
Net profit for the period ended September 30, 2013				15,413	15,413
Other comprehensive income for the period ended September 30, 2013 - net of deferred tax				-	-
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current year - net of deferred tax				1,204	1,204
Balance as on September 30, 2013	44,492	35,000	38,250	(290,723)	(172,981)
Balance as at June 30, 2014	44,492	35,000	38,250	(280,493)	(162,751)
Net profit for the year ended September 30, 2014				13,390	13,390
Other comprehensive income for the period ended September 30, 2014 - net of deferred tax				-	-
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current year - net of deferred tax				2,297	2,297
Balance as on September 30, 2014	44,492	35,000	38,250	(264,806)	(147,064)

Mohammad Hameed
Chief Executive

Farooq Hameed
Director



NOTES TO THE ACCOUNTS FOR THE QUARTER ENDED SEPTEMBER 30, 2014

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

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting' as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements of company as at and for the year ended June 30, 2014

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi and Lahore Stock Exchanges and section 245 of Companies Ordinance, 1984.

These condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the selected notes for the first quarter ended September 30, 2014. These condensed interim financial statements also includes the condensed interim profit and loss account and statement of comprehensive income for the quarter ended September 30, 2013.

2.2 Accounting Policies

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, 2014.

3. PROPERTY, PLANT & EQUIPMENT	September 30 2014 (Unaudited) Rupees (000)	September 30 2013 (Unaudited) Rupees (000)
Operating fixed assets	503,027	370,135
Capital work in progress	2,834	-
	505,860	370,135



6. Transactions with Related Parties

Related parties comprise associated companies, directors, key management employees, group companies and other related parties through close family members of the directors of the Company.

There were no sale / purchase transactions with related parties or transactions with key management personnel other than undertaken as per terms of their employment during the year. Other funding arrangements entered into with related parties were as follows:

	September 30 2014 (Unaudited) Rupees (000)	September 30 2013 (Unaudited) Rupees (000)
Interest free loan paid to related parties	3,011	1,460

7. AUTHORIZED FOR ISSUE

These financial statements were approved by the board of directors and authorized for issue on 30 October 2014.

8. 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