



COMPANY INFORMATION

BOARD OF DIRECTORS : Ijaz Hameed (Chairman/Non Executive Director)
Mohammad Hameed (Chief Executive/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
F.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 : MCB Bank Limited
Bank Alfalah Limited

AUDITORS : Horwath Hussain Chaudhury & Co.,
Chartered Accountants

INTERNAL AUDITOR : Awan & Co
Chartered Accountants

REGISTERED OFFICE : 38-Empress Road, Lahore
Telephones: 36304561-3, 36367861-3
Telefax: (92-42) 3636 7861
E-mail: info@prime-service.com

MILLS : G.T Road, Gujrat
Telephone: (92-53) 3514065, 3535085
Telefax: (92-53) 3513700

Web Reference : www.prime-service.com

Share Registrar : Corplink (Pvt) Ltd
Wings Arcade, 1-K Commercial
Model Town, Lahore
Tel: 042-35839182, 35916719



DIRECTORS' REPORT

The Directors of your Company present before you the un-audited financial statements for the quarter ended September 30, 2016. The financial results are as follows:

	<u>30.09.16</u> (Rupees 000)	<u>30.09.15</u> (Rupees 000)
Net Profit / (loss) for the period	6,504	(121)
Accumulated loss brought forward	<u>(254,406)</u>	<u>(240,785)</u>
	(247,902)	(240,906)
Transfer from surplus on revaluation Of fixed assets in respect of incremental Depreciation- net of deferred tax	<u>1,946</u>	<u>2,162</u>
	<u>(245,956)</u>	<u>(238,744)</u>
Earning per share - Basic	1.46	(0.03)

During the current period Company has earned a net profit of Rs.6.504 million as compared to net loss of Rs. (121) million for the same period in previous year.

Textile sector is under severe financial crisis for last few years for multiple reasons but mainly due to poor demand of yarn locally and internationally. It is quite challenging in today's business environment to keep the company afloat. In spite of all the difficulties and challenges we were able to increase our production capacity which resulted in increase in sale and reduction in fixed overheads and hence company was able to achieve the profitability for the period under review. We remain hopeful of the improving macro and micro economic situation of the country.

For and on behalf of the Board of Directors

MOHAMMAD HAMEED
Chief Executive

Lahore
31 October, 2016

**BALANCE SHEET AS AT SEPTEMBER 30, 2016**

		September 30 2016	June 30, 2016
	Note	(Unaudited) Rupees (000)	(Audited) Rupees (000)
ASSETS			
Non Current Assets			
Property, plant and equipment	3	495,622	498,419
Long term deposits		11,442	11,442
Current Assets			
Stores and spares		4,351	4,693
Stock in trade		78,629	75,171
Trade debts- Unsecured considered good		27	61
Advances and other receivables		13,442	8,918
Cash and bank balances		5,168	11,718
		101,617	100,560
Less: Current Liabilities			
Trade and other payables		115,294	123,928
Accrued markup on long term financing		11,295	9,812
Current and overdue portion of non current liabilities		16,410	13,410
Provision for taxation		6,409	4,830
		149,408	151,979
Less: Non Current Liabilities			
Long term financing		67,865	72,700
Staff retirement benefits		10,842	10,509
Deferred tax liability		30,201	31,373
		108,908	114,582
		350,364	343,860
REPRESENTED BY:			
Authorised capital			
10,000,000 (June 30,2016: 10,000,000) ordinary shares of Rs 10 each.		100,000	100,000
Issued, subscribed and paid up capital			
4,449,159 (June 30,2016: 4,449,159) ordinary shares of Rs. 10 each.		44,492	44,492
Share deposit money		150,000	150,000
General reserve		35,000	35,000
Revaluation surplus		366,828	368,774
Accumulated loss		(245,956)	(254,406)
		350,364	343,860

Mohammad Hameed
Chief ExecutiveFarooq Hameed
Director

**UN-AUDITED PROFIT & LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

		Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	Notes	(Unaudited) Rupees (000)	(Unaudited) Rupees (000)
Sales		184,352	108,171
Cost of Sales	4	(168,642)	(99,837)
Gross Profit		15,710	8,334
Operating Expenses:			
Distribution Cost		(203)	(746)
Administrative expenses	5	(5,498)	(5,442)
Operating Profit		10,009	2,146
Financel cost		(2,236)	(2,433)
Other operating expenses		(610)	(68)
Other operating Income			16
		(2,847)	(2,485)
Profit / (Loss) before taxation		7,162	(339)
Provision for taxation		(658)	217
Profit / (Loss) after taxation		6,504	(121)
Earnings per Share - Basic		1.46	(0.03)

Mohammad Hameed
Chief ExecutiveFarooq Hameed
Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

	Quarter Ended September 30, 2016 (Unaudited) Rupees (000)	Quarter Ended September 30, 2015 (Unaudited) Rupees (000)
Net Profit / (Loss) for the Year	6,504	(121)
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>6,504</u>	<u>(121)</u>

Mohammad Hameed
Chief ExecutiveFarooq Hameed
Director



UN-AUDITED CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter Ended September 30, 2016	Quarter Ended September 30, 2015
	(Unaudited) Rupees (000)	(Unaudited) Rupees (000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,162	(339)
Adjustments for :		
Depreciation	5,214	5,265
Provision for gratuity for the period	863	1,062
Worker's (profit) participation fund	389	
Worker's welfare fund	222	
Finance cost	1,483	2,433
	<u>8,171</u>	<u>8,760</u>
Operating Profit before working capital changes	15,333	8,422
(Increase) / decrease in current assets:		
Stores and spares	342	(180)
Stock in trade	(3,457)	(9,757)
Trade Debts	34	782
Advances, deposits, prepayments and other receivables	(4,456)	2,104
Increase/(Decrease) in current liabilities:		
Creditors, accrued and other liabilities	(9,244)	(1,304)
	<u>(16,782)</u>	<u>(8,355)</u>
CASH (USED IN) / GENERATED FROM WORKING CAPITAL CHANGES	(2,130)	67
Income tax paid	(318)	(73)
Financial charges paid	-	(703)
Gratuity paid	(531)	(855)
Net Cash used in operating activities	(2,298)	(1,565)
CASH FLOW FROM INVESTING ACTIVITIES		
Property , plant and equipment purchased	(2,417)	(276)
Capital Work in process	-	-
Net cash used in Investing Activities	(2,417)	(276)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances	(1,835)	(2,564)
Net cash used in Financing Activities	(1,835)	(2,564)
Net Decrease in Cash and Cash Equivalents	(6,549)	(4,405)
Cash and Cash Equivalents at the beginning of the Year	11,718	12,013
Cash and Cash Equivalents at the end of the Year	<u>5,168</u>	<u>7,608</u>

Mohammad Hameed
Chief Executive

Farooq Hameed
Director



**STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

	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, 2015	44,492	35,000	150,000	(240,785)	(11,293)
Net Loss for the period ended September 30, 2015				(121)	(121)
Other comprehensive income for the period ended September 30, 2015 - 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				2,162	2,162
Balance as on September 30, 2015	44,492	35,000	150,000	(238,744)	(9,252)
Balance as at June 30, 2016	44,492	35,000	150,000	(254,406)	(24,915)
Net profit for the year ended September 30, 2016				6,504	6,504
Other comprehensive income for the period ended September 30, 2016 - 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				1,946	1,946
Balance as on September 30, 2015	44,492	35,000	150,000	(245,956)	(16,464)

Mohammad Hameed
Chief Executive

Farooq Hameed
Director



NOTES TO THE ACCOUNTS FOR THE QUARTER ENDED SEPTEMBER 30, 2016

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 Pakistan Stock Exchange.

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, 2016

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, 2016. 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, 2015.

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, 2016.

3. PROPERTY, PLANT & EQUIPMENT

	September 30 2016	September 30 2015
	(Unaudited) Rupees (000)	(Unaudited) Rupees (000)
Operating fixed assets	495,622	496,262
Capital work in progress	-	3,599
	495,622	499,861



4. COST OF SALES	September 30	September 30
	2016	2015
	(Unaudited)	(Unaudited)
	Rupees	Rupees
	(000)	(000)
Raw material consumed	124,977	86,234
Stores and spares consumed	2,016	2,471
Packing material consumed	2,966	2,092
Fuel and power	23,546	19,595
Salaries & wages	19,838	15,544
Repair & maintenance	733	1,060
Depreciation	5,142	5,411
	<u>179,219</u>	<u>132,407</u>
Work in process		
Opening	4,595	5,024
Closing	(4,829)	(4,076)
	(234)	948
Finished Goods		
Opening	56,938	4,663
Closing	(67,281)	(4,821)
	<u>(10,344)</u>	<u>(158)</u>
	<u>168,642</u>	<u>133,197</u>

5. ADMINISTRATIVE AND SELLING EXPENSES	September 30	September 30
	2016	2015
	(Unaudited)	(Unaudited)
	Rupees	Rupees
	(000)	(000)
Salaries & Benefits	3,560	3,509
Utilities	159	217
Printing & Stationery	32	29
Communication	148	133
Travelling & conveyance	286	109
Repairs & Maintenance	67	46
Rent, rates & Taxes	254	160
Vehicle running & Maintenance	264	543
Fee and Subscription	43	-
Legal & Professional charges	270	474
Entertainment	136	400
Newspaper & Periodicals	20	21
Donations	148	40
Miscellaneous	39	66
Depreciation	72	28
	<u>5,498</u>	<u>5,774</u>



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 2016 (Unaudited) Rupees (000)	September 30 2015 (Unaudited) Rupees (000)
Long term financing repaid to directors	1,835	3,011
Markup on long term financing from directors	11,295	-

7. AUTHORIZED FOR ISSUE

These financial statements were approved by the board of directors and authorized for issue on 31 October 2016.

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