



3rd Quarterly Accounts

Un-Audited

March 31, 2020

Service Industries Textiles Limited



COMPANY INFORMATION

BOARD OF DIRECTORS : Ijaz Hameed (Chairman/Non Executive Director)
Mohammad Hameed (Chief Executive/Executive Director)
Aamer Hameed (Executive Director)
Zainab Khan (Independent Director)
Tariq Hameed (Non Executive Director)
Omer Mohyudin Malik (Independent Director)
Murtaza Hameed (Non Executive Director)

CHIEF FINANCIAL OFFICER : M. Muddasar Shahzad

COMPANY SECRETARY : Usman Khalid

AUDIT COMMITTEE : Omer Mohyudin Malik (Chairman)
Zainab Khan (Member)
Murtaza Hameed (Member)

HUMAN RESOURCE & :Zainab Khan (Chairman)
REMUNERATION COMMITTEE Ijaz Hameed (Member)
Omer Mohyudin Malik (Member)

BANKERS : MCB Bank Limited
Bank Alfalah Limited

AUDITORS : Crowe 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.sitl.com.pk

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 nine months ended March 31, 2020. The financial results are as follows:

	31.03.2020 (Rupees 000)	31.03.2019 (Rupees 000)
Net Profit for the period	4,675	18,770
Accumulated loss brought forward	(142,422)	(184,791)
	(137,747)	(166,021)
Transfer from surplus on revaluation Of fixed assets in respect of incremental Depreciation- net of deferred tax	13,171	4,729
Annual Dividend for the year ended June 30, 2019	(4,449)	-
Accumulated Loss	(129,025)	(161,292)
Earning per share - Basic	1.05	4.22

During the current period Company has earned a net profit of Rs. 4.6752 million as compared to net profit of Rs. 18.770 million for the same period in previous year. As you are well aware that pandemic COVID - 19 has hit the global economy with drastic effects all around the world. So far most of the countries are following the model of lock down and social distancing to flatten the curve of people effected by the virus. In Pakistan there is lock down of major industries since March 2020 and our mill has also ceased its operation since March 23, 2020 as per directives by Government of Pakistan. The way the pandemic had taken its toll on the global markets, it has seriously impacted the scale of demand for Pakistani exports in particular textiles. If this situation continues, there would be unmanageable level of unemployment and negative impacts of COVID-19 would further hit the textile industry drastically. There are talk of cancellation of orders by major buyers in value added textile sector which will have effects all across the textile chain. We foresee major disruption of export business in the next year and also the domestic market with the retail sector being hit it is difficult to say if it would recover to pre-Covid-19 levels even by the end of the year. Apart from the issues faced by mills in regards with the pandemic, there is severe cash flow problem being faced by textile industry due to the late refund given to the exporters.

The Government of Pakistan has taken steps to mitigate COVID-19 impact on the country's struggling economy and people. Measures such as direct payment of cash to most vulnerable segment of society under Ehsas program are appreciable. State Bank of Pakistan (SBP) has directed the banks and the DFIs to reduce the mark up rate to 9%. SBP also announced another incentive package to help businesses avoid layoffs by providing businesses with loans at easy terms.

The cotton sowing season in Punjab is underway and it should be completed by May 31, 2020. We were unable to meet our target crop for last many years due to multiple factors such as climate change, uncertified seeds, unchecked business of spurious pesticides, and high cost of production with diminishing return for farmers. Government should fully support the farmers and help them in up-gradation of ginning technology, educate the farmer to use the quality seed and make investment in research and development of quality seed, capacity building of farmers and introduce incentives for better quality cotton that would help in motivating the farmers.

The government should monitor the situation closely and if need be more supportive measures should be given to cope with the current abnormal situation.

For and on Behalf of the Board of Directors

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

Lahore
April 30th, 2020



ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 31 مارچ 2020 کو تہم ہوئے نو ماہی عرصے کے غیر متنتق شدہ حسابات پیش کرتے ہیں۔ مالیاتی متانتج درج ذیل ہیں:

31-03.2020 (Rupees 000)	31.03.2019 (Rupees 000)	
4,675	18,770	خالص منافع
(142,422)	(184,791)	آگے لایا گیا مجمع نقصان
(137,747)	(166,021)	
13,171	4,729	ٹرانسفر فرام سر پلاس آن ریویلیوشن
(4,449)	-	سالانہ ڈیویڈنڈ برائے جون 2019
(129,025)	(161,292)	
1.05	4.22	فی شیئر منافع

زیر جائزہ مدت کے دوران کمپنی کو 4.752 ملین روپے کا خالص منافع ہوا۔ جبکہ پچھلے سال اسی مدت کے دوران کمپنی کو 18.770 ملین روپے کا منافع ہوا تھا۔ جیسا کہ آپ بخوبی آگاہ ہیں کہ COVID-19 کی وبا نے عالمی معیشت کو سخت نقصان پہنچایا ہے۔ جبکہ اس پر قابو پانے کیلئے دنیا کے مختلف ممالک نے لاک ڈاؤن اور سماجی دوری کو اختیار کیا ہے۔ ملک کے مختلف صنعتیں اسی وجہ سے حکومت نے مارچ 2020 سے بند کر رکھی ہیں اور ہماری مل بھی حکومتی ہدایت پر عمل کرتے ہوئے 23 مارچ 2020 سے بند ہے۔ اس وبا نے جس طرح سے عالمی معیشت کو نقصان پہنچایا ہے اس کی وجہ سے ملکی برآمدات بالخصوص ٹیکسٹائل بری طرح سے متاثر ہوئی ہیں۔ اگر یہ صورتحال مزید جاری رہتی ہے تو اس سے بیروزگاری خطرناک حد تک بڑھے گی اور یہ COVID-19 کی عالمی معیشت کو مزید نقصان پہنچائے گی۔ ملکی برآمدات کے بڑے خریداروں کی طرف سے پلبو ایڈیڈ سیکٹرز کو دینے کے آڈر زخم کرنے کی بازگشت سے اور اگر ایسا ہوا تو اس سے پوری ٹیکسٹائل چین منفی طور پر متاثر ہوگی۔ ہم آنے والے سال میں ٹیکسٹائل کی برآمدات میں خلل آتا دیکھ رہے ہیں اور اسی طرح ملکی سطح پر ریٹیل کا کاروبار بھی بری طرح متاثر ہوگا۔ اس کے علاوہ ایک سپورٹرز کو لیٹ ریفرنڈ ملنے سے ٹیکسٹائل انڈسٹری کی کیش فلو بری طرح متاثر ہوئی ہے۔

حکومت نے COVID-19 کے بڑے اثرات سے نمٹنے کیلئے کچھ اقدامات کیلئے ہیں۔ جیسا کہ معاشرے کے کمزور طبقے کو احساس پر وگرام کے تحت نقد امداد قابل تحسین ہے۔ سٹیٹ بینک آف پاکستان نے شرح سود کی 9% پر کردیا ہے اور آسان شرائط پر قرضے کی فراہمی کی ہے تاکہ کاروباری حضرات اپنے ملازمین اور مزدور کو فراغ نہ کریں اور بیروزگاری میں اضافہ نہ ہو۔

پنجاب میں کمپاس کی بوائی کا میزبان جاری ہے اور 31 مئی تک یہ ختم ہو جانا چاہئے۔ ہم مختلف وجوہات کی وجہ سے کئی سال سے کمپاس کی فصل کا ہدف حاصل نہیں کر پائے۔ ان وجوہات میں موسمیاتی تبدیلیاں غیر متبلیق شدہ بیج، غیر معیاری کیڑے مارادویات اور پیداواری لاگت میں اضافہ اور کسانوں کے منافع میں کمی شامل ہے۔

حکومت کو اس مسئلے پر قابو پانے کیلئے کسانوں کو ہر ممکن مدد فراہم کرنی چاہئے جسے کہ کمپاس کی بوائی کے طریقے میں اپ گریڈیشن معیاری بیج استعمال کرنے کی حوصلہ افزائی اور معیاری بیج بنانے کیلئے تحقیق اور ترقی میں سرمایہ کاری اور کسانوں کی حوصلہ افزائی کیلئے مختلف سکیمیں ضروری ہے کہ حکومت موجودہ حالات کا مسلسل باریک بینی سے جائزہ لینی رہے اور اگر ضرورت پڑے تو موجودہ غیر معمولی حالات پر قابو پانے کیلئے مذید معاونت کو یقینی بنائے۔

بورڈ آف ڈائریکٹرز کی طرف سے

حامد حمید
ڈائریکٹر

محمد حمید
چیف ایگزیکٹو

لاہور

مورخہ 130 اپریل 2020



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2020**

Notes	March 31, 2020	June 30, 2019
	(Un-audited) Rupees	(Audited) Rupees
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
	20,000,000 (June 30, 2019: 20,000,000) ordinary shares of Rs. 10 each	200,000,000
Issued, subscribed and paid up capital		
	4,449,159 (June 30, 2019: 4,449,159) ordinary shares of Rs. 10 each fully paid in cash	44,491,590
	150,000,000	150,000,000
	(129,025,345)	(142,422,421)
	506,276,443	519,447,476
	571,742,688	571,516,645
Non Current Liabilities		
	27,700,130	36,700,130
	11,428,139	10,182,278
	65,347,476	59,882,229
	104,475,745	106,764,637
Current Liabilities		
	108,806,372	105,400,999
	232,987	232,987
	3,989,797	3,939,090
	12,000,090	12,000,090
	11,696,394	11,204,768
	136,725,640	132,777,934
Contingencies and Commitments		
	-	-
	812,944,073	811,059,216
ASSETS		
Non Current Assets		
	688,486,815	697,317,757
	14,536,023	17,036,023
	703,022,838	714,353,780
Current Assets		
	3,923,886	4,041,573
	67,582,202	57,899,210
	-	269,558
	-	1,558,218
	9,146,480	10,808,722
	29,268,667	22,128,155
	109,921,235	96,705,436
	812,944,073	811,059,216

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements (un-audited).

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE 3rd QUARTER AND NINE MONTHS ENDED MARCH 31, 2020**

	Notes	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019	3rd Quarter Ended March 31, 2020	3rd Quarter Ended March 31, 2019
		(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Sales - net		775,200,223	709,332,653	248,579,656	216,745,068
Cost of sales (2019: restated)	7	(722,109,619)	(658,749,700)	(226,549,752)	(205,457,971)
Gross Profit		53,090,604	50,582,953	22,029,904	11,287,097
Operating Expenses					
Distribution expenses		(669,052)	(580,000)	(233,684)	(191,984)
Administrative expenses (2019: restated)		(24,406,233)	(20,701,255)	(8,599,527)	(4,717,373)
		(25,075,285)	(21,281,255)	(8,833,211)	(4,909,357)
Operating Profit		28,015,319	29,301,698	13,196,693	6,377,740
Finance cost		(5,360,586)	(5,690,633)	(1,472,366)	(2,518,844)
Other operating charges		(1,540,958)	(1,746,840)	(549,599)	(279,773)
Other income		525,000	27,930		-
		(6,376,544)	(7,409,543)	(2,021,965)	(2,798,617)
Profit before Taxation		21,638,775	21,892,155	11,174,728	3,579,123
Taxation	8	(16,963,573)	(3,122,062)	(2,237,107)	(1,696,512)
Profit for the Period		4,675,202	18,770,093	8,937,621	1,882,611
Earnings per Share - Basic		1.05	4.22	2.01	0.42
Earnings per Share - Diluted		0.24	0.97	0.46	0.10

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements (un-audited).

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 3rd QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

	9 Months March 31, 2020	9 Months March 31, 2019
	(Un-audited) Rupees	(Un-audited) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	21,638,775	21,892,155
Adjustments for:		
- Depreciation	27,862,823	14,153,045
- Provision for gratuity	3,601,921	2,816,133
- Balances written off	28,000	-
- Interest on Workers' (profit) participation fund	1,117,815	-
- Workers' (profit) participation fund	1,210,994	1,215,872
- Workers' welfare fund	160,964	430,968
- Finance costs	4,242,771	5,690,633
	<u>38,225,288</u>	<u>24,306,651</u>
Operating profit before working capital changes	59,864,063	46,198,806
Decrease / (Increase) in current assets:		
- Stores and spares	117,687	(1,018,059)
- Stock in trade	(9,682,992)	(577,610)
- Trade debts	269,558	1,002,300
- Sales tax refunds due from the government	1,530,218	(2,188,083)
- Advances, prepayments and other receivables	(1,444,997)	(159,145)
Decrease in current liabilities:		
- Trade and other payables	976,448	(26,311,341)
	<u>(8,234,078)</u>	<u>(29,251,938)</u>
Cash Generated from Operations	51,629,985	16,946,868
Income tax paid	(7,758,347)	(5,737,522)
Workers' welfare fund paid	(636,791)	-
Finance cost paid	(4,192,064)	(6,687,487)
Gratuity paid	<u>(2,356,060)</u>	<u>(2,998,834)</u>
Net Cash Generated from Operating Activities	36,686,723	1,523,025
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(19,031,881)	(18,498,266)
Long term deposits	2,500,000	(2,391,000)
Net Cash Used in Investing Activities	(16,531,881)	(20,889,266)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(4,014,330)	-
Long term financing repaid	(9,000,000)	(9,000,000)
Net Cash Used in Financing Activities	<u>(13,014,330)</u>	<u>(9,000,000)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	7,140,512	(28,366,241)
Cash and cash equivalents at the beginning of the period	22,128,155	37,202,626
Cash and Cash Equivalents at the End of the Period	<u>29,268,667</u>	<u>8,836,385</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements (un-audited).



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 3rd QUARTER AND NINE MONTHS ENDED MARCH 31, 2020**

	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019	3rd Quarter Ended March 31, 2020	3rd Quarter Ended March 31, 2019
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Net Profit for the Period	4,675,202	18,770,093	8,937,621	1,882,611
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	<u>4,675,202</u>	<u>18,770,093</u>	<u>8,937,621</u>	<u>1,882,611</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements (un-audited).

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 3rd QUARTER AND NINE MONTHS ENDED MARCH 31, 2020**

Particulars	Share Capital	Share Deposit Money	Surplus on Revaluation of Property, Plant and Equipment	Accumulated Loss	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2018	44,491,590	150,000,000	353,984,425	(184,791,190)	363,684,825
Net profit for the nine months ended March 31, 2019	-	-	-	18,770,093	18,770,093
Other comprehensive income for the nine months ended March 31, 2019	-	-	-	-	-
Total comprehensive income for the nine months ended March 31, 2019	-	-	-	18,770,093	18,770,093
Incremental depreciation charged for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	(4,728,804)	4,728,804	-
Balance as at March 31, 2019	44,491,590	150,000,000	349,255,621	(161,292,293)	382,454,918
Balance as at June 30, 2019	44,491,590	150,000,000	519,447,476	(142,422,421)	571,516,645
Net profit for the nine months ended March 31, 2020	-	-	-	4,675,202	4,675,202
Other comprehensive income for the nine months ended March 31, 2020	-	-	-	-	-
Total comprehensive income for the nine months ended March 31, 2020	-	-	-	4,675,202	4,675,202
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period - net of deferred tax	-	-	(13,171,033)	13,171,033	-
Annual dividend for the year ended June 30, 2019	-	-	-	(4,449,159)	(4,449,159)
Balance as at March 31, 2020	44,491,590	150,000,000	506,276,443	(129,025,345)	571,742,688

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements (un-audited).

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer



**NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE 3rd QUARTER AND NINE MONTHS ENDED MARCH 31, 2020**

Note 1**The Company and its Operations**

- 1.1 Service Industries Textiles Limited (the Company) was incorporated in Pakistan in 1962 as a Private Limited Company under the Companies Act 1913, (now the Companies Act, 2017) and was subsequently converted into a Public Limited Company in 1970. The Company is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn made from raw cotton and synthetic fiber.
- 1.2 The Company is domiciled in Pakistan and its registered office is situated at 38-Empress road, Lahore, whereas the production plant of the Company is located at Rehman Shaheed Road, Gujrat.

Note 2**Basis of Preparation**

- 2.1 These condensed interim financial statements have been prepared in accordance with the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and are in compliance with the International Accounting Standard - 34 (Interim Financial Reporting).
- 2.2 These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2019. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2019 whereas comparative statement of profit or loss account, comparative statement of comprehensive income and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the nine months ended March 31, 2019.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.3 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest rupees, unless otherwise stated.

Note 3**Significant Accounting Policies**

The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim (un-audited) financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2019 except for the adoption of new and amended standards, if any.



Note 4

Long Term Financing

		March 31, 2020 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
Related parties - Unsecured			
Loan from Directors / Related parties	4.1	39,700,220	48,700,220
Less: Current portion		(12,000,090)	(12,000,090)
		<u>27,700,130</u>	<u>36,700,130</u>

4.1 This represents financing obtained from directors from time to time to meet the liquidity requirements of the Company. The outstanding balance of this financing is repayable in equal monthly installments of Rs. 1 million each. This financing is unsecured and carries markup at 3 months KIBOR plus 1%.

Note 5

Contingencies and Commitments

Contingencies

5.1 Sui Northern Gas Pipelines Limited (SNGPL) has demanded an amount of Rs. 40.629 million (June 30, 2019: Rs. 40.629 million) from the Company in respect of Gas Infrastructure Development Cess under the Gas Infrastructure Development Cess Act, 2015. However, the Company denies the claim and filed a suit before the Honorable Sindh High Court on February 02, 2017. Based on the advice of legal counsel, the management is of the view that there are meritorious grounds to defend the Company's position and it would be resolved in the Company's favor. Hence, no provision has been made in these interim financial statements.

Commitments

5.2 There are no material commitments outstanding as at the reporting date (June 30, 2019: Nil).

Note 6

Property, Plant and Equipment

	March 31, 2020 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
Opening written down value	697,317,757	476,496,326
Additions during the period / year	19,031,881	23,985,764
	716,349,638	500,482,090
Depreciation charge for the period / year	(27,862,823)	(21,613,594)
Revaluation adjustment	-	218,449,261
	<u>688,486,815</u>	<u>697,317,757</u>



Note 7

Cost of Sales

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2020	2019	2020	2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	Rupees			
		(Restated)		(Restated)
Raw materials consumed	497,362,628	468,284,994	149,896,000	142,204,679
Stores and spares consumed	10,340,271	12,027,700	2,274,721	3,728,173
Packing materials consumed	8,847,932	9,407,272	2,979,014	3,350,069
Fuel and power	93,733,199	75,861,150	30,648,424	27,536,479
Salaries, wages and benefits	81,786,882	76,531,181	30,204,525	23,061,410
Insurance	460,814	892,478	173,888	629,698
Repairs and maintenance	4,888,772	3,781,823	1,456,979	1,390,096
Depreciation	27,456,155	13,669,046	9,367,000	4,515,164
Cost of goods manufactured	724,876,653	660,455,644	227,000,551	206,415,768
Work in process:				
- Opening	6,684,259	3,561,796	6,914,184	4,817,203
- Closing	(6,627,651)	(5,046,709)	(6,627,651)	(5,046,709)
	56,608	(1,484,913)	286,533	(229,506)
	724,933,261	658,970,731	227,287,084	206,186,262
Finished goods:				
- Opening	1,384,499	3,111,183	3,470,809	2,603,923
- Closing	(4,208,141)	(3,332,214)	(4,208,141)	(3,332,214)
	(2,823,642)	(221,031)	(737,332)	(728,291)
	722,109,619	658,749,700	226,549,752	205,457,971

Note 8

Taxation

	Nine Months Ended March 31,	
	2020	2019
	(Un-audited)	
	Rupees	
Current		
- Charge for period	11,696,394	7,146,509
- Prior years / tax credits	(198,068)	-
	11,498,326	7,146,509
Deferred tax	5,465,247	(4,024,447)
	16,963,573	3,122,062

Note 9

Financial Risk Management

The company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2019.



Note 10

Transactions with Related Parties

Related parties comprise directors of the Company and their close relatives, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as under:

	Nine Months Ended March 31,	
	2020	2019
	----- (Un-audited) -----	
	Rupees	Rupees
Transactions with related persons		
Repayment of loan from directors	9,000,000	9,000,000
Markup accrued on loan from directors	4,167,438	4,552,185
Markup paid to directors	4,116,731	6,671,257
Dividend paid to directors	1,048,016	-
Gratuity fund charge	3,601,921	2,816,133
Balances outstanding as at		
	March 31, 2020	June 30, 2019
	----- (Un-audited) -----	
	Rupees	Rupees
Long term loan payable	39,700,220	48,700,220
Accrued markup on long term loan from directors	3,989,797	3,939,090
Dividend payable	411,128	-

Note 11

Segment Information

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Maker. The Chief Executive Officer (CEO) of the Company performs function of the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments.

The CEO is responsible for the Company's entire product portfolio and considers business as a single operating segment. The Company's assets allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Company's assets, liabilities and performance is prepared on a basis consistent with the measurement and recognition principles of approved accounting standards as applicable in Pakistan. The Company is domiciled in Pakistan. All of the Company's income is from the entities incorporated in Pakistan.

Note 12

Date of Authorization for Issue

These condensed interim financial statements (un-audited) are approved and authorized for issuance on April 30th, 2020 by the Board of Directors of the Company.

Note 13
General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following balances are reclassified during the period for better presentation.

Nature	From	To	Period	Amount Rupees
Salaries, wages and benefits	Administrative expenses (Face of statement of profit or loss account)	Cost of sales (Note 8)	July 1, 2018 to March 31, 2019	5,066,680
Insurance	Administrative expenses (Face of statement of profit or loss account)	Cost of sales (Note 8)	July 1, 2018 to March 31, 2019	892,478
Insurance	Administrative expenses (Face of statement of profit or loss account)	Cost of sales (Note 8)	January 1, 2019 to March 31, 2019	629,698

This restatement has not affected statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer

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