



**Half Yearly Report**  
Un-Audited  
**2nd Quarter Ended**  
**December 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 & REMUNERATION COMMITTEE : Zainab Khan (Chairman)  
Ijaz Hameed (Member)  
Omer Mohyudin Malik (Member)

BANKERS : Meezan 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 half year ended December 31, 2020. The financial results are as follows:

	31.12.20 (Rupees 000)	31.12.19 (Rupees 000)
Net Profit / (Loss) for the period	26,888	(4,262)
Accumulated loss brought forward	(152,467)	(142,422)
	(125,579)	(167,739)
Transfer from surplus on revaluation Of fixed assets in respect of incremental Depreciation- net of deferred tax	7,902	8,780
Annual dividend for the year ended June 30, 2019	-	(4,449)
Accumulated Loss	(117,677)	(142,353)
Earning per share - Basic	6.04	(0.96)

During the current period Company has earned a net profit of Rs.26.888 million as compared to net loss of Rs. 4.262 million for the same period in previous year.

Currently Pakistan's textile industry is operating exceptionally well. All this has been happened primarily because of timely steps taken by the Government of Pakistan in opening of the local industry related to export specially the textile sector. At the same time global demand of basic textile products has been increased and the world buyers have diverted their orders to Pakistan from China, India and Bangladesh for different reasons including US-China trade war and halt in production and opening of economy in India and Bangladesh with worsening of Covid-19 crisis there. This has helped the textile industry - the single largest export earning sector of Pakistan to scale up productions to pre-Covid-19 level of full-capacity. Apart from this Government made timely decisions, such as reduction in the policy rate, availability of long term financing under the TERF and the energy package, have helped the textile sector to be in a much better position compared to regional competitors as well.

However serious threats to recovery and sustainability of production to optimal level are availability of raw material (cotton) and continuation of supply of energy at subsidized prices. Again this year target cotton crop could not be met and cotton market is already witnessing the inflationary trend because of it and the only option left is to import the cotton to meet the domestic demands. The cotton production is on a decline 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 so that they can fetch better returns for the crop.

The Government has already announced to suspend the gas supply to captive power plants (CPPs) of the industry. Though it has given the understanding that energy requirements of the industry will be fulfilled and DISCOs have been advised to facilitate the industry in respect of their required energy load so that they can operate smoothly. However this decision has put the pressure on the industry especially textile sector as investments done by the industry on CPPs will be wasted and also if Government fails to provide uninterrupted supply of electricity at subsidized rate fear is that industry will be unable to fulfill export orders which may also result in financial losses.

We are fully aware of the challenges and are prepared to do everything possible to mitigate the adverse impact of such an event as far as it is under the control of management. We are very hopeful that current crisis will be over in the coming years by the combine efforts of Government and industry and 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

Aamer Hameed  
Director

Lahore  
Dated: 26.02.2021



## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے نصف سال کے غیر منتفح شدہ حسابات پیش کرتے ہیں۔ مالیاتی نتائج درج ذیل ہیں۔

31-12-2019 (Rupees 000)	31.12.2020 (Rupees 000)	
(4,262)	26,888	مدت کیلئے خالص منافع
(142,422)	(152,467)	جمع نقصان آگے لایا
(146,684)	(125,579)	
8,781	7,902	ٹرانسفر فرام سرپلس آن ریویلیوشن
(4,442)	-	سالانہ ڈیویڈنڈ برائے سال جون 2019
(142,353)	117,677	
(0.96)	6.04	فی شیئر منافع

زیر جائزہ مدت کے دوران کمپنی نے 26,888 ملین روپے کا منافع کمایا جبکہ اسی مدت کے دوران کچھلے سال 4,262 ملین روپے کا خسارہ تھا۔ اس منافع کے بڑھنے کی اہم وجہ حکومت پاکستان کی طرف سے برآمدی شعبہ مخصوص ٹیکسٹائل سیکٹر کو بروقت کھولنا جبکہ کووڈ 19 کی وجہ سے بنگلہ دیش اور انڈیا کی مارکیٹ کا دیر سے کھلنا شامل ہے۔ اسی دوران عالمی منڈی میں بنیادی ٹیکسٹائل پروڈکٹ کی ڈیمانڈ میں اضافہ شامل ہوا جسکی وجہ سے عالمی خریداروں نے اپنے آرڈر مقامی صنعت کو منتقل کیے جسکی بدولت ٹیکسٹائل کا شعبہ تیزی سے بحالی کی طرف گامزن ہوا اور اپنی پوری پیداواری صلاحیت کے مطابق چل پڑا۔ اس کے علاوہ شرح سود کو کم کیا گیا جس نے صنعت کے پیہر کو چلنے میں مدد کی۔

اس بحالی کو برقرار رکھنے میں ٹیکسٹائل کے شعبے کو دو مشکلات کا سامنا ہے جن میں ایک تو خام مال کی مسلسل دستیابی اور دوسرا توانائی کی ارزوں نرخوں پر مستقل دستیابی ہے۔ اس سال بھی کپاس کی فصل کا ٹارگٹ پورا نہیں ہو سکا اور جس کی وجہ سے کپاس کو درآمد کرنا پڑے گا لہذا مقامی مارکیٹ میں کپاس مہنگی قیمت میں دستیاب ہے۔ گزشتہ کئی سال سے کپاس کی فصل کا ٹارگٹ پورا نہیں کیا جا سکا جس کی مختلف وجوہات ہیں جیسا کہ موسمیاتی تبدیلیاں، غیر تصدیق شدہ بیج، غیر معیاری کپڑے مارادویات اور پیداواری لاگت میں اضافہ کی وجہ سے کسان کا منافع کم ہوا ہے۔ حکومت کو اس سلسلے میں کسان کی بھرپور مدد کرنی چاہیے اور جدید کاشت کے طریقے کسان کو سکھانے چاہیے تاکہ ان کو اپنی فصل کا صحیح منافع ملے۔

اس کے علاوہ حکومت کی جانب سے اعلان کیا گیا کہ کپٹیو پاور پلائس (CPP) کو گیس کی فراہمی بند کر دی جائیگی اور تمام انڈسٹری کو بجلی پر منتقل کر دیا جائے گا اگرچہ حکومت کی طرف سے یقین دہانی کروائی گئی ہے کہ انڈسٹری کی بجلی کی ضرورت یا ت کو ہر طرح سے پورا کیا جائے گا اور اس سلسلے میں DISCO کو ہدایت جاری کر دی گئی ہے کہ وہ مکمل تعاون کرے۔ لیکن اس فیصلے کی وجہ سے انڈسٹری میں کافی بے چینی پائی جاتی ہے۔ کیونکہ ایک تو CPP پر کی گئی سرمایہ کاری ضائع جائے گی اور دوسرا اگر حکومت اپنے وعدے کے مطابق بجلی کو ارزوں نرخوں پر مسلسل فراہم نہ کر پائی تو ایک سپورٹ کے آرڈر متاثر ہونے کا اندیشہ ہے۔ ہم ان مشکلات سے بخوبی آگاہ ہیں اور ان سے نمٹنے کیلئے تیار ہیں۔ ہم آلے سالوں میں ملکی معیشت کے مستحکم ہونے کیلئے پورے امید ہیں۔

یورڈ آف ڈائریکٹرز کی طرف سے

عامر حمید  
ڈائریکٹر

محمد حمید  
چیف ایگزیکٹو

لاہور

مورخہ 26 فروری 2021

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SERVICE INDUSTRIES TEXTILES LIMITED

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of SERVICE INDUSTRIES TEXTILES LIMITED ("the Company") as at December 31, 2020 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

The figures of the condensed interim statement of profit or loss account and the condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Nasir Muneer.

LAHORE

Dated: 26.02.2021



CROWE HUSSAIN CHAUDHURY & CO.

Chartered Accountants



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

	Notes	December 31, 2020 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized share capital			
20,000,000 (June 30, 2020: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid up capital			
4,449,159 (June 30, 2020: 4,449,159) ordinary shares of Rs. 10 each fully paid in cash		44,491,590	44,491,590
Share deposit money		150,000,000	150,000,000
Accumulated loss		(117,676,653)	(152,466,845)
Surplus on revaluation of property, plant and equipment		493,983,479	501,886,099
		570,798,416	543,910,844
<b>Non Current Liabilities</b>			
Long term financing	4	20,269,995	26,270,040
Staff retirement benefits		7,948,295	8,924,032
Government dues payable		7,309,725	12,325,474
Deferred tax liability		64,506,546	70,234,006
		100,034,561	117,753,552
<b>Current Liabilities</b>			
Trade and other payables		115,774,543	134,432,353
Unclaimed dividend		232,987	232,987
Unpaid dividends		364,412	434,829
Accrued markup on long term financing		4,311,055	5,985,685
Current portion of long term financing	4	12,000,090	12,000,090
Provision for taxation		11,223,144	13,826,623
		143,906,231	166,912,567
Contingencies and Commitments	5	-	-
<b>Total Equity and Liabilities</b>		<b>814,739,208</b>	<b>828,576,963</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	6	674,681,415	688,123,751
Long term deposits		15,481,023	15,481,023
		690,162,438	703,604,774
<b>Current Assets</b>			
Stores and spares		3,680,651	4,082,747
Stock in trade		61,590,625	58,539,716
Trade debts		672,702	1,269,870
Advances, prepayments and other receivables		5,947,594	12,835,585
Cash and bank balances		52,685,198	48,244,271
		124,576,770	124,972,189
		<b>814,739,208</b>	<b>828,576,963</b>

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020**

	Notes	Half Year Ended	Half Year Ended	Quarter Ended	Quarter Ended
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		Rupees Un-audited	Rupees Un-audited	Rupees Un-audited	Rupees Un-audited
Revenue from sales - net (2019: Restated)		552,094,107	529,722,530	286,682,041	270,911,654
Cost of sales	7	(495,417,039)	(495,559,867)	(259,228,777)	(256,851,043)
Gross Profit (2019: Restated)		56,677,068	34,162,663	27,453,264	14,060,611
Operating Expenses					
Distribution expenses (2019: Restated)		(3,274,983)	(3,537,331)	(1,490,195)	(1,729,452)
Administrative expenses		(18,258,617)	(15,806,706)	(9,856,530)	(9,622,632)
		(21,533,600)	(19,344,037)	(11,346,725)	(11,352,084)
Operating Profit		35,143,468	14,818,626	16,106,539	2,708,527
Finance cost		(2,435,752)	(3,888,220)	(158,324)	(411,369)
Other operating charges		(2,703,438)	(991,359)	(1,455,654)	(84,004)
Other income		2,371,103	525,000	2,355,603	525,000
		(2,768,087)	(4,354,579)	741,625	29,627
Profit before Taxation		32,375,381	10,464,047	16,848,164	2,738,154
Taxation	8	(5,487,809)	(14,726,466)	(3,357,982)	(9,034,560)
Profit / (Loss) for the Period		26,887,572	(4,262,419)	13,490,182	(6,296,406)
Earnings / (Loss) per Share - Basic		6.04	(0.96)	3.03	(1.42)
Earnings / (Loss) per Share - Diluted		1.38	(0.22)	0.69	(0.32)

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

Mohammad Hameed  
Chief Executive

Hameed  
Director

M. Muddasar Shahzad  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020**

	Half Year Ended December 31, 2020	Half Year Ended December 31, 2019	Quarter Ended December 31, 2020	Quarter Ended December 31, 2019
	Rupees Un-audited	Rupees Un-audited	Rupees Un-audited	Rupees Un-audited
Net Profit / (Loss) for the Period	26,887,572	(4,262,419)	13,489,572	(6,296,406)
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 / (Loss) for the Period	<u>26,887,572</u>	<u>(4,262,419)</u>	<u>13,489,572</u>	<u>(6,296,406)</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 HALF YEAR ENDED DECEMBER 31, 2020**

Particulars	Share Capital	Share Deposit Money	Accumulated Loss	Surplus on Revaluation of Property, Plant and Equipment	Total
	Rupees Un-audited	Rupees Un-audited	Rupees Un-audited	Rupees Un-audited	Rupees Un-audited
Balance as at June 30, 2019	44,491,590	150,000,000	(142,422,421)	519,447,476	571,516,645
Net loss for the half year ended December 31, 2019	-	-	(4,262,419)	-	(4,262,419)
Other comprehensive income for the half year ended December 31, 2019	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2019	-	-	(4,262,419)	-	(4,262,419)
Incremental depreciation charged for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	8,780,689	(8,780,689)	-
Annual dividend for the year ended June 30, 2019	-	-	(4,449,159)	-	(4,449,159)
<b>Balance as at December 31, 2019</b>	<b>44,491,590</b>	<b>150,000,000</b>	<b>(142,353,310)</b>	<b>510,666,787</b>	<b>562,805,067</b>
Balance as at June 30, 2020	44,491,590	150,000,000	(152,466,845)	501,886,099	543,910,844
Net profit for the half year ended December 31, 2020	-	-	26,887,572	-	26,887,572
Other comprehensive income for the half year ended December 31, 2020	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2020	-	-	26,887,572	-	26,887,572
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period - net of deferred tax	-	-	7,902,620	(7,902,620)	-
<b>Balance as at December 31, 2020</b>	<b>44,491,590</b>	<b>150,000,000</b>	<b>(117,676,653)</b>	<b>493,983,479</b>	<b>570,798,416</b>

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 HALF YEAR ENDED DECEMBER 31, 2020**

	Half Year Ended December 31, 2020	Half Year Ended December 31, 2019
	Rupees Un-audited	Rupees Un-audited
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	32,375,381	10,464,047
Adjustments for:		
- Depreciation	17,807,659	18,359,179
- Provision for gratuity	2,336,702	2,401,282
- Balances written off	-	28,000
- Interest on Workers' (profit) participation fund	795,582	885,806
- Workers' (profit) participation fund	1,674,324	611,802
- Workers' welfare fund	904,114	210,557
- Finance costs	1,640,169	3,002,414
	<u>25,158,550</u>	<u>25,499,040</u>
Operating profit before working capital changes	57,533,931	35,963,087
Decrease / (Increase) in current assets:		
- Stores and spares	402,096	341,733
- Stock in trade	(3,050,909)	3,226,512
- Trade debts	597,168	(891,246)
- Advances, prepayments and other receivables	243,532	167,643
Decrease in current liabilities:		
- Government dues payable	(5,015,749)	-
- Refunds due from the government - Sales tax	467,612	1,462,058
- Trade and other payables	(22,499,442)	1,419,930
	<u>(28,855,692)</u>	<u>5,726,630</u>
Cash Generated from Operations	28,678,239	41,689,717
Income tax paid	(7,174,289)	(5,094,668)
Finance cost paid	(3,314,799)	(2,470,092)
Gratuity paid	(3,312,439)	(1,597,450)
Net Cash Generated from Operating Activities	14,876,712	32,527,507
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,365,323)	(14,208,409)
Long term deposits	-	2,500,000
Net Cash Used in Investing Activities	(4,365,323)	(11,708,409)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(70,417)	(3,536,687)
Long term financing repaid	(6,000,045)	(6,000,000)
Net Cash Used in Financing Activities	(6,070,462)	(9,536,687)
Net Increase in Cash and Cash Equivalents	4,440,927	11,282,411
Cash and cash equivalents at the beginning of the period	48,244,271	22,128,155
Cash and Cash Equivalents at the End of the Period	<u>52,685,198</u>	<u>33,410,566</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



**NOTES TO AND FORMING PART OF THE CONDENSED  
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**Note 1****The Company and its Operations**

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- 1.1 Service Industries Textiles Limited (the Company) was incorporated in Pakistan in 1962 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 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.
- 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**

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- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
  - Provisions of and directives issued under the Companies Act, 2017.
- Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2 These condensed interim financial statements are unaudited and have been subjected to the limited scope review by the external auditors as required by Section 237 of the Companies Act, 2017. The figures for the quarters ended on December 31, 2019 and 2020 presented in the condensed financial statements have not been reviewed by the external auditors.
- 2.3 These condensed interim financial statements are presented in Pak rupees, which is the Company's functional and presentation currency. Figures have been rounded off to nearest rupees, unless stated otherwise. These condensed financial statements do not include all the information presented in annual financial statements of the Company and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2020.

**Note 3****Significant Accounting Policies**

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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 audited financial statements of the Company for the year ended June 30, 2020.



Note 4  
Long Term Financing

		December 31, 2020	June 30, 2020
	Note	(Un-audited) Rupees	(Audited) Rupees
Related parties - Unsecured			
Loan from directors / related parties	4.1	32,270,085	38,270,130
Less: Current portion		<u>(12,000,090)</u>	<u>(12,000,090)</u>
		<u>20,269,995</u>	<u>26,270,040</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 There has been no change in the status of contingencies as reported in the annual audited financial statements for the year ended June 30, 2020.

Commitments

- 5.2 There are no material commitments outstanding as at the reporting date (June 30, 2020: Nil).

Note 6  
Property, Plant and Equipment

	December 31, 2020	June 30, 2020
	(Un-audited) Rupees	(Audited) Rupees
Opening written down value	688,123,751	697,317,757
Additions during the period / year	4,365,323	28,481,727
	692,489,074	725,799,484
Depreciation charge for the period / year	<u>(17,807,659)</u>	<u>(37,675,733)</u>
	<u>674,681,415</u>	<u>688,123,751</u>



Note 7 Cost of Sales	Half Year Ended	Half Year Ended	Quarter Ended	Quarter Ended
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Raw materials consumed	331,307,989	347,466,628	173,167,266	182,571,829
Stores and spares consumed	6,378,974	8,065,550	3,688,450	4,798,037
Packing materials consumed	6,424,906	5,868,918	3,329,387	3,379,949
Fuel and power	68,662,926	63,084,775	37,923,253	28,819,022
Salaries, wages and benefits	62,236,179	51,582,357	31,018,237	24,792,623
Insurance	493,260	286,926	218,260	100,000
Repairs and maintenance	3,877,144	3,431,793	2,034,472	1,924,834
Depreciation	17,577,189	18,089,155	8,823,229	9,194,922
Cost of goods manufactured	496,958,567	497,876,102	260,202,554	255,581,216
Work in process:				
- Opening	7,029,397	6,684,259	7,572,274	8,215,836
- Closing	(8,086,053)	(6,914,184)	(8,086,053)	(6,914,184)
	(1,056,656)	(229,925)	(513,779)	1,301,652
	495,901,911	497,646,177	259,688,775	256,882,868
Finished goods:				
- Opening	3,407,716	1,384,499	3,432,590	3,438,984
- Closing	(3,892,588)	(3,470,809)	(3,892,588)	(3,470,809)
	(484,872)	(2,086,310)	(459,998)	(31,825)
	495,417,039	495,559,867	259,228,777	256,851,043

Note 8 Taxation	Half Year Ended	Half Year Ended	Quarter Ended	Quarter Ended
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Current				
- Charge for period	11,223,144	7,945,838	7,241,731	4,065,082
- Prior years	(7,875)	(198,068)	(7,875)	(198,068)
	11,215,269	7,747,770	7,233,856	3,867,014
Deferred tax	(5,727,460)	6,978,696	(3,875,874)	5,167,546
	5,487,809	14,726,466	3,357,982	9,034,560

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, 2020.



## 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:

	Half Year Ended December 31, 2020	Half Year Ended December 31, 2019
	(Un-audited) Rupees	(Un-audited) Rupees
Transactions with related parties		
Repayment of loan from directors	6,000,045	6,000,000
Markup accrued on loan from directors	1,477,480	2,954,596
Markup paid to directors	3,260,283	2,422,274
Dividend paid to directors	69,973	1,048,016
Gratuity fund paid	2,336,702	2,401,282
Balances outstanding as at	December 31, 2020	June 30, 2020
	(Un-audited) Rupees	(Audited) Rupees
Long term loan payable	32,270,085	38,270,130
Accrued markup on long term loan from directors	4,311,055	5,985,685
Dividend payable	364,412	434,829

## Note 11

## Segment Information

11.1 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 has been designated as 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.

11.2 Entity-wide disclosures regarding reportable segment are as follows:

## Information about major customers

One customer of the Company accounts for 15.26% (2019: 14.25%) of total sales for the period. Revenue from such customer was Rs. 98.84 million (2019: Rs. 75.46 million).

## Information about geographical area

- All non-current assets of the Company are located in Pakistan as at the reporting date.



## Note 12

## Date of Authorization for Issue

These condensed interim financial statements (un-audited) are approved and authorized for issuance by the Board of Directors of the Company on February 26, 2021.

## Note 13

## General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following immaterial rearrangement / reclassification have been made in these financial statements for better presentation:

Nature	From	To	Period	Amount Rupees
Commission expense	Revenue	Distribution Cost	July 1, 2019 to December 31, 2019	3,101,963
Commission expense	Revenue	Distribution Cost	October 1, 2019 to December 31, 2019	1,504,084

Mohammad Hameed  
Chief Executive

Aamer Hameed  
Director

M. Muddasar Shahzad  
Chief Financial Officer

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