



3rd Quarterly Accounts
Un-Audited
March 31, 2021

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 : 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 nine months ended March 31, 2021. The financial results are as follows:

	31.03.2021 (Rupees 000)	31.03.2020 (Rupees 000)
Net Profit for the period	55,201	4,675
Accumulated loss brought forward	(152,467)	(142,422)
	(97,266)	(137,747)
Transfer from surplus on revaluation Of fixed assets in respect of incremental Depreciation- net of deferred tax	11,854	13,171
Annual dividend for the year ended June 30,2019	-	(4,449)
Accumulated Loss	(85,412)	(129,025)
Earning per share - Basic	12.41	1.05

During the current period Company has earned a net profit of Rs. 55.201 million as compared to net profit of Rs. 4.675 million for the same period in previous year. Revenue from sale for the current period is Rs. 896.132 Million as compared to Rs. 779.760 Million. During the current quarter, the Company received approval from the Securities and Exchange Commission of Pakistan (SECP) to issue 9,338,408 ordinary shares at Rs. 12 per share, other than right, to its Directors against the share deposit money already received from them. This issue is awaiting procedural formalities and the said transaction will be incorporated in the financial statements for the year ended June 30, 2021.

Currently Pakistan's textile industry is operating at full capacity, primarily because of policy decision by the Government of Pakistan in opening of the industry. Timely steps taken by the government in handling the first wave of the pandemic has given the textile industry a boost as more customers are shifting to Pakistan for their textiles supplies. Pakistan's textile industry has seen sharp increase in orders for hosiery and home textiles in the recent months. This has helped the textile industry to scale up productions. Apart from this Government's timely decisions such as reduction in the policy rate, availability of long term financing under the TERF and regionally competitive energy prices has helped the textile sector to be in a much better position compared to regional competitors.

However serious threats to recovery and sustainability of production for the textile sector are there due to the non 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 demand of the industry. 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 by extending micro finance facility for them to buy pesticides and other required agriculture raw materials in a timely manner and help them in up-gradation of sowing and mechanized farming 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.

The pandemic is still not over, even though the vaccine rollout in happening all across the globe, in Pakistan it is slow and is a cause of concern. Your company along with other textile industry players have made arrangements to procure vaccine privately for all employees and their families. We expect to vaccinate all our employees by the end of this financial year.

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
April 30, 2021



ذائیکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 31 مارچ 2021 کو رقم ہونے والی عرصے کے غیر متفق شدہ حسابات پیش کرتے ہیں۔ مالیاتی نتائج درج ذیل ہیں:

31-03-2021 (Rupees 000)	31.03.2020 (Rupees 000)	
55,201	4,675	خالص منافع
(152,467)	(142,422)	آگے لایا گیا منافع نقصان
(97,266)	(137,747)	
11,854	13,171	ٹرانسفر فرام سرپلس آن ریویلیوشن سالانہ ڈیویڈنڈ برائے
-	(4,449)	جون 2019
(85,412)	(129,025)	
12.41	1.05	فی شیئر منافع

زیر جائزہ مدت کے دوران کمپنی کو 55,201 ملین روپے کا خالص منافع ہوا۔ جبکہ پچھلے سال اسی مدت کے دوران کمپنی کو 4,675 ملین روپے کا منافع ہوا تھا۔ کمپنی کی سیکلز 896.132 ملین روپے رہی جبکہ پچھلے سال اسی مدت میں 779.760 ملین روپے کی سیکلز تھی۔ زبرد جائزہ مدت کے دوران کمپنی کو SECP سے اپنا سرمایہ بڑھانے کی اجازت Other than right کے تحت ملی۔ اس کے تحت کمپنی ڈائریکٹرز کو 9,338,408 شیئرز کا حساب 12 روپے فی شیئر کا اجراء کرے گی۔ ڈائریکٹرز کو یہ شیئرز ان کے Share Deposit Money کے خلاف ملی ہے جو کہ ڈائریکٹرز سپہیلے ہی ادا کر چکے ہیں۔ ہر ڈائریکشن 30 جون 2021 کو ختم ہونے والے سال کے حسابات میں شامل ہوگی۔

اس وقت ٹیکسٹائل انڈسٹری اپنی پوری پیداواری صلاحیت پر چل رہی ہے اور اسکی بنیادی وجوہ کمیت کی جانب سے Covid-19 کے دوران سبب و وقت پر انڈسٹری کو کھولنا شامل ہے جسکی وجہ سے عالمی سرمایہ کاروں نے اپنے آرڈر مقامی ہوزری اور ہوم ٹیکسٹائل کے شعبہ کو دیے۔ اسی وجہ سے ٹیکسٹائل انڈسٹری کا پیہ پوری طرح سے چل سکا۔ اس کے علاوہ حکومت کی طرف سے پالیسی ریت میں کمی، بجلی کی مسابقتا قیوں میں فراہمی اور سرف کے تحت آسان شرائط پر ایسی مدت کے قرضوں کی دستیابی بھی وجہ بنتی ہے البتہ ابھی بھی کوڈ کی دبا پرتاؤ نہیں پایا جا سکا۔ جو کہ عالمی طور پر لوگوں کو پیکسٹین لگانے کے عمل کا آغاز کر دیا گیا ہے لیکن پاکستان میں یہ کافی نسبت رومی سے جاری ہے جو کہ بدلتے ہوئے ہے۔ آج کی کمپنی نے دوسری ٹیکسٹائل کمپنیز کے ساتھ مل کر اپنے ملازمین اور اس کے خاندان والوں کیلئے پیکسٹین لگانے کی حصولی کا انتظام کیا ہے۔ امید ہے کہ مالی سال کے اختتام تک تمام ملازمین کو پیکسٹین لگ چکی ہوگی۔

ٹیکسٹائل انڈسٹری کی اس تیزی کو برقرار رکھنے کیلئے تمام مال (کپاس) کی دستیابی اور بجلی کی سستی ریموں میں مسلسل فراہمی ہے۔ لیکن ہم مختلف وجوہات کی وجہ سے کئی سال سے کپاس کی فصل کا ہدف حاصل نہیں کر پائے۔ ان وجوہات میں موسمیاتی تبدیلیاں غیر تصدیق شدہ بیج، غیر معیاری کپاز سے مارا دیات اور پیداواری آلات 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 جیسے کہ کپاس 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 سیکٹوں میں ضروری ہے کہ حکومت موجودہ حالات کا مسلسل باریک بینی سے جائزہ لیتی رہے اور اگر ضرورت پڑے تو موجودہ غیر معمولی حالات پر قابو پانے کیلئے مزید معاونت کو یقینی بنائے۔

اس کے علاوہ حکومت نے انڈسٹری کے کچھ یار پارٹنرز کو گیس کی فراہمی بند کرنے کا اعلان کر دیا ہے البتہ انڈسٹری کو یقین دہانی کروائی گئی ہے کہ جب تک ڈسکونڈ ٹیکسٹائل انڈسٹری کی بجلی کی ضروریات تکمل طور پر بجلی کے تحت پوری نہیں کر سکتے ہیں گیس کی فراہمی جاری رہے گی لیکن اس اعلان کی وجہ سے ٹیکسٹائل سیکٹر پر پریشر آ گیا ہے اور اگر حکومت اپنے وعدے کے مطابق انڈسٹری کو مسلسل بجلی کی فراہمی مہیا نہ کر سکی تو اس پر ٹیکسٹائل سیکٹر کو مالی نقصان بھی اٹھانا پڑ سکتا ہے۔ ہم ان چیلنجز سے بخوبی آگاہ ہیں اور ان سے ٹھٹنے کیلئے تیار ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

عامر حمید
ڈائریکٹر

محمد حمید
چیف ایگزیکٹو


لاہور

مورخہ 130 اپریل 2021


**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2021**

Notes	March 31, 2021	June 30, 2020
	(Un-audited) Rupees	(Audited) Rupees
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital 20,000,000 (June 30, 2020: 20,000,000) ordinary shares of Rs. 10 each	<u>200,000,000</u>	<u>200,000,000</u>
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	(85,411,953)	(152,466,845)
Surplus on revaluation of property, plant and equipment	490,032,169	501,886,099
	599,111,806	543,910,844
Non Current Liabilities		
Long term financing	17,270,040	26,270,040
Staff retirement benefits	7,556,965	8,924,032
Government dues payable	7,101,551	12,325,474
Deferred tax liability	66,111,346	70,234,006
	98,039,902	117,753,552
Current Liabilities		
Trade and other payables	147,828,379	134,432,353
Unclaimed dividend	232,987	232,987
Unpaid dividends	364,412	434,829
Accrued markup on long term financing	3,816,532	5,985,685
Current portion of long term financing	12,000,090	12,000,090
Provision for taxation	21,221,956	13,826,623
	185,464,356	166,912,567
Contingencies and Commitments		
Total Equity and Liabilities	<u>882,616,064</u>	<u>828,576,963</u>
ASSETS		
Non Current Assets		
Property, plant and equipment	697,507,033	688,123,751
Long term deposits	16,297,023	15,481,023
	713,804,056	703,604,774
Current Assets		
Stores and spares	4,006,619	4,082,747
Stock in trade	108,715,561	58,539,716
Trade debts	-	1,269,870
Advances, prepayments and other receivables	10,713,098	12,835,585
Cash and bank balances	45,376,730	48,244,271
	168,812,008	124,972,189
	<u>882,616,064</u>	<u>828,576,963</u>

The annexed notes from 1 to 14 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, 2021**

	Notes	Nine Months Ended March 31, 2021	Nine Months Ended March 31, 2020	3rd Quarter Ended March 31, 2021	3rd Quarter Ended March 31, 2020
		(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Revenue from sales - net (2020: Restated)		896,101,485	779,759,603	344,007,378	250,037,073
Cost of sales	7	(791,016,576)	(722,109,619)	(295,599,537)	(226,549,752)
Gross Profit (2019: Restated)		105,084,909	57,649,984	48,407,841	23,487,321
Operating Expenses					
Distribution expenses (2019: Restated)		(5,940,384)	(5,228,432)	(2,665,401)	(1,691,101)
Administrative expenses		(25,333,439)	(24,406,233)	(7,074,822)	(8,599,527)
		(31,273,823)	(29,634,665)	(9,740,223)	(10,290,628)
Operating Profit		73,811,086	28,015,319	38,667,618	13,196,693
Finance cost		(2,316,708)	(5,360,586)	119,044	(1,472,366)
Other operating charges		(1,423,098)	(1,540,958)	1,280,340	(549,599)
Other income		2,371,103	525,000	-	-
		(1,368,703)	(6,376,544)	1,399,384	(2,021,965)
Profit before Taxation		72,442,383	21,638,775	40,067,002	11,174,728
Taxation	8	(17,241,421)	(16,963,573)	(11,753,612)	(2,237,107)
Profit for the Period		55,200,962	4,675,202	28,313,390	8,937,621
Earnings per Share - Basic		12.41	1.05	6.36	2.01
Earnings per Share - Diluted		2.84	0.24	1.46	0.46

The annexed notes from 1 to 14 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, 2021

	9 Months March 31, 2021	9 Months March 31, 2020
	(Un-audited) Rupees	(Un-audited) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	72,442,383	21,638,775
Adjustments for:		
- Depreciation	27,580,501	27,862,823
- Provision for gratuity	3,505,052	3,601,921
- Balances written off	-	28,000
- Interest on Workers' (profit) participation fund	397,791	1,117,815
- Workers' (profit) participation fund	897,470	1,210,994
- Workers' welfare fund	401,008	160,964
- Finance costs	1,918,916	4,242,771
	<u>34,700,358</u>	<u>38,225,288</u>
Operating profit before working capital changes	107,142,741	59,864,063
Decrease / (Increase) in current assets:		
- Stores and spares	76,128	117,687
- Stock in trade	(50,175,845)	(9,682,992)
- Trade debts	1,269,870	269,558
- Advances, prepayments and other receivables	(344,243)	(1,444,997)
Decrease in current liabilities:		
- Government dues payable	(12,325,474)	-
- Refunds due from the government - Sales tax	11,370,598	1,530,218
- Trade and other payables	7,431,090	976,448
	<u>(42,697,876)</u>	<u>(8,234,078)</u>
Cash Generated from Operations	64,444,865	51,629,985
Income tax paid	(11,502,018)	(7,758,347)
Worker's welfare fund paid		(636,791)
Finance cost paid	(4,088,069)	(4,192,064)
Gratuity paid	(4,872,119)	(2,356,060)
Net Cash Generated from Operating Activities	43,982,659	36,686,723
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(36,963,783)	(19,031,881)
Long term deposits	(816,000)	2,500,000
Net Cash Used in Investing Activities	(37,779,783)	(16,531,881)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(70,417)	(4,014,330)
Long term financing repaid	(9,000,000)	(9,000,000)
Net Cash Used in Financing Activities	(9,070,417)	(13,014,330)
Net Increase in Cash and Cash Equivalents	(2,867,541)	7,140,512
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>45,376,730</u>	<u>29,268,667</u>

The annexed notes from 1 to 14 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 COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 3rd QUARTER AND NINE MONTHS ENDED MARCH 31, 2021**

	Nine Months Ended March 31, 2021	Nine Months Ended March 31, 2020	3rd Quarter Ended March 31, 2021	3rd Quarter Ended March 31, 2020
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Net Profit for the Period	55,200,962	4,675,202	28,313,390	8,937,621
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>55,200,962</u>	<u>4,675,202</u>	<u>28,313,390</u>	<u>8,937,621</u>

The annexed notes from 1 to 14 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, 2021**

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 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
Incremental depreciation charged for the period on surplus on revaluation of property, plant and equipment - 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	(129,025,345)	506,276,443	571,742,688
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 nine months ended March 31, 2021	-	-	55,200,962	-	55,200,962
Other comprehensive income for the nine months ended March 31, 2021	-	-	-	-	-
Total comprehensive income for the nine months ended March 31, 2021	-	-	55,200,962	-	55,200,962
Incremental depreciation charged for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	11,853,930	(11,853,930)	-
Balance as at March 31, 2021	44,491,590	150,000,000	(85,411,953)	490,032,169	599,111,806

The annexed notes from 1 to 14 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, 2021**

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 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

- 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 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

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

		March 31, 2020	June 30, 2020
	Note	(Un-audited)	(Audited)
		Rupees	Rupees
Related parties - Unsecured			
Loan from directors / related parties	4.1	29,270,130	38,270,130
Less: Current portion		<u>(12,000,090)</u>	<u>(12,000,090)</u>
		<u>17,270,040</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 instalments 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

	Note	March 31, 2020 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
Operating Fixed Assets	6.1	696,755,483	688,123,751
Capital Work in Progress		751,550	-
		<u>697,507,033</u>	<u>688,123,751</u>
6.1 Operating Fixed Assets			
Opening written down value		688,123,751	697,317,757
Additions during the period / year		36,212,233	28,481,727
		<u>724,335,984</u>	<u>725,799,484</u>
Depreciation charge for the period / year		(27,580,501)	(37,675,733)
Revaluation adjustment		-	-
		<u>696,755,483</u>	<u>688,123,751</u>

Note 7

Cost of Sales

	Nine Months Ended March 31, 2021 (Un-audited) Rupees	Nine Months Ended March 31, 2020 (Un-audited) Rupees	Quarter Ended March 31, 2021 (Un-audited) Rupees	Quarter Ended March 31, 2020 (Un-audited) Rupees
Raw materials consumed	538,627,950	497,362,628	207,319,961	149,896,000
Stores and spares consumed	9,568,198	10,340,271	3,189,224	2,274,721
Packing materials consumed	8,777,895	8,847,932	2,352,989	2,979,014
Fuel and power	102,474,095	93,733,199	33,811,169	30,648,424
Salaries, wages and benefits	100,691,213	81,786,882	38,455,034	30,204,525
Insurance	603,260	460,814	110,000	173,888
Repairs and maintenance	5,627,953	4,888,772	1,750,809	1,456,979
Depreciation	27,128,406	27,456,155	9,551,217	9,367,000
Cost of goods manufactured	793,498,970	724,876,653	296,540,403	227,000,551
Work in process:				
- Opening	7,029,397	6,684,259	8,086,053	6,914,184
- Closing	(8,344,035)	(6,627,651)	(8,344,035)	(6,627,651)
	<u>(1,314,638)</u>	<u>56,608</u>	<u>(257,982)</u>	<u>286,533</u>
	792,184,332	724,933,261	296,282,421	227,287,084
Finished goods:				
- Opening	3,407,716	1,384,499	3,892,588	3,470,809
- Closing	(4,575,472)	(4,208,141)	(4,575,472)	(4,208,141)
	<u>(1,167,756)</u>	<u>(2,823,642)</u>	<u>(682,884)</u>	<u>(737,332)</u>
	<u>791,016,576</u>	<u>722,109,619</u>	<u>295,599,537</u>	<u>226,549,752</u>



Note 8
Taxation

	Nine Months Ended March 31, 2021	Nine Months Ended March 31, 2020	Quarter Ended March 31, 2021	Quarter Ended March 31, 2020
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Current				
- Charge for period	21,371,956	11,696,394	10,148,812	3,750,556
- Prior years	(7,875)	(198,068)	-	-
	<u>21,364,081</u>	<u>11,498,326</u>	<u>10,148,812</u>	<u>3,750,556</u>
Deferred tax	(4,122,660)	5,465,247	1,604,800	(1,513,449)
	<u>17,241,421</u>	<u>16,963,573</u>	<u>11,753,612</u>	<u>2,237,107</u>

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:

	Nine Months Ended March 31, 2021 (Un-audited) Rupees	Nine Months Ended March 31, 2020 (Audited) Rupees
Transactions with related parties		
Repayment of loan from directors	9,000,000	9,000,000
Markup accrued on loan from directors	1,830,847	4,167,438
Markup paid to directors	4,000,000	4,116,731
Dividend paid to directors	-	1,048,016
Gratuity fund charge	3,505,052	3,601,921
Balances outstanding as at	March 31, 2021 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
Long term loan payable	29,270,130	38,270,130
Accrued markup on long term loan from directors	3,816,532	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 18.44% (2020: 7.40%) of total sales for the period. Revenue from such customer was Rs. 164.68 million (2020: Rs. 57.20 million).

Information about geographical area

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

Note 12

Subsequent Event

"During the current quarter, the Company received approval from the Securities and Exchange Commission of Pakistan (SECP) to issue 9,338,408 ordinary shares at Rs. 12 per share, other than right, to its Directors against the share deposit money already received from them. This issue is awaiting procedural formalities."

Note 13

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 April 30, 2021.



Note 14
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 March 31, 2020	4,559,380
Commission expense	Revenue	Distribution Cost	January 01, 2020 to March 31, 2020	1,457,417

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer

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