

Service Industries Textiles Ltd



DISCLAIMER

The presentation is only for the information and discussion purpose with the participants. Any expression, information, statement or representation made during the discussion shall not be judged by any investor or potential investor as an advice or recommendation in relation to holding , purchasing or selling securities without proper consideration. It is suggested before acting on any information's shared or and remarks made during the discussion process , one should seek appropriateness and accuracy of information.



ABOUT THE COMPANY

- ▶ The company was incorporated in Pakistan in 1962 as a Private Limited Company under the repealed Companies Act 1913, (now the Companies Act, 2017) and was subsequently converted into a Public Limited Company in 1970.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. Factory is situated at Gujrat and the registered office of the Company is situated at 38 - Empress Road, Lahore. Currently company has no external long term or short term debt and is running and meeting its cash flow requirements through its own resources. At present the plant consists of 20,160 spindles with sufficient automatic cone winders besides other allied machinery capable of manufacturing around 7,036,705 kilograms of cotton and blended yarn (based on 20/s) . The company also has an electricity self-generation facility.

CORPORATE INFORMATION

- ▶ *SYMBOL of COMPANY in PAKISTAN STOCK EXCHANGE(PSX):*
“SERT”
- ▶ *LEGAL STATUS:*
Public Limited Company
- ▶ *AUDITORS:*
Crowe Hussain Chaudhury & CO.
(Chartered Accountants)
- ▶ *SHARE REGISTRAR:*
Corplink (Pvt) Ltd.

Board of Directors

- ▶ *Independent Director:*
 - Mr. Omer Mohyud Din Malik
 - Ms. Zainab Khan
- ▶ *Executive Director:*
 - Mr. Mohammad Hameed
 - Mr. Murtaza Hameed
- ▶ *Non-Executive Director:*
 - Mr. Aamer Hameed (Chairman)
 - Mr. Tariq Hameed
 - Ms. Sadia Hamid

CURRENT ECONOMIC SCENARIO

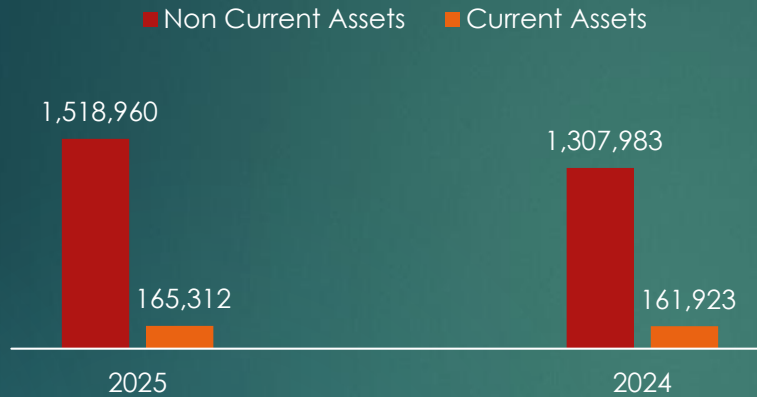
During the year, net revenue from sales were Rs. 1.371 Billion as compared to Rs. 1.341 Billion during the previous year. Gross profit for the year is Rs. 5.593 Million as compared to gross loss of Rs.35.239 Million in the preceding year. The company has incurred a net loss after taxation of Rs.72.900 Million as compared to net loss of Rs. 100.644 Million in last year. Major reason for the loss is dumping of imported yarn in local market under Export Facilitation Scheme (EFS). Large increase in yarn imports and cheaper imported supplies reduced local volumes and prices and hence margins for local industry had been squeezed quite considerably.

FUTURE OUTLOOK / CHALLENGES

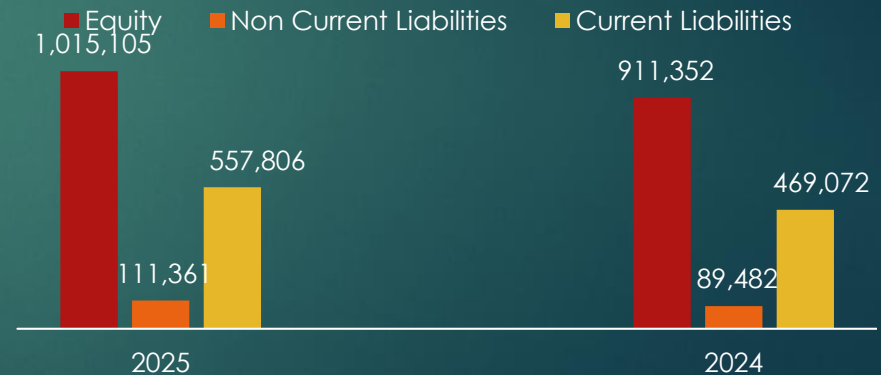
- ▶ Despite the setbacks caused by recent flooding, the textile spinning sector in Pakistan is cautiously optimistic for 2025-2026, due to recovery in global trade, a transition toward higher-value products, and increased focus on sustainability initiatives
- ▶ However, for the year 2025-2026 cotton production will again miss the target. The cotton production is on a decline for last many years due to multiple factors such as reduction in sowing area climate change, uncertified seeds, unchecked business of spurious pesticides, and high cost of production with diminishing return for farmers. The need of the hour is to increase the sowing area by making cotton more attractive to farmers versus other crops and supply of certified high-yield seeds, better farmer incentives such as minimum support price for farmers, timely water availability, and climate-smart practices to ensure sustainable and sufficient domestic supply
- ▶ Textile sector faces elevated risks due to ongoing energy challenges and competitive pressures from neighboring markets, demanding urgent reforms. The need of the hour is to bring energy (electricity, gas) tariffs down closer to regional benchmarks. Incentivize captive power plants, or provide reliable, cheaper power for industrial users, encourage renewable energy / solar / wind use in spinning plants to lessen dependency on expensive grid/gas power. Therefore, during the year, the Company invested in solar energy to strengthen the viability of its energy mix and reduce reliance on conventional sources. These initiatives are expected to lower operating costs and support environmental sustainability, with further expansion of solar capacity planned in the coming financial year

FINANCIAL POSITION AS AT JUNE 30, 2024

Assets - (PKR in '000')



EQUITY & LIABILITIES (PKR in '000')



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	Rupees	Rupees
Revenue	1,370,514,683	1,341,317,598
Cost of sales	(1,364,920,948)	(1,376,556,469)
Gross Loss	5,593,735	(35,238,871)
Operating expenses:		
- Distribution cost	(9,507,231)	(9,069,761)
- Administrative expenses	(45,357,515)	(34,700,190)
	(54,864,746)	(43,769,951)
Operating Loss	(49,271,011)	(79,008,822)
Finance cost	(10,583,512)	(12,262,287)
Other operating expenses	(1,420,862)	(1,579,670)
Other income	103,904	131,266
	(11,900,470)	(13,710,691)
Loss before Levy / Taxation	(61,171,481)	(92,719,513)
Levy	(17,131,434)	(16,766,470)
Loss before Income Tax	(78,302,915)	(109,485,983)
Income tax	5,402,842	8,841,956
Net Loss for the Year	(72,900,073)	(100,644,027)
Loss per Share - Basic and Diluted	(5.29)	(7.30)

Key Operational and Financial Data

	JUNE 2025	JUNE 2024	JUNE 20223	JUNE 2022	JUNE 2021	JUNE 2020	JUNE 2019
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Sales	<i>1,370,515</i>	1,341,318	1,051,603	1,341,765	1,230,010	921,250	979,881
Gross Profit / (Loss)	<i>5,594</i>	(35,239)	(109,842)	37,645	130,246	59,146	85,254
Operating Profit/(Loss)	<i>(49,271)</i>	(78,409)	(152,406)	(8,452)	87,222	23,934	54,684
Profit/(Loss)before Tax	<i>(61,171)</i>	(92,120)	(157,371)	(7,552)	80,734	(1,832)	42,758
Tax	<i>(11,729)</i>	(7,925)	(548)	(3,818)	(21,192)	(23,210)	(5,644)
Profit/(Loss) after Tax	<i>(72,900)</i>	(100,044)	(15,792)	(11,370)	59,543	(25,042)	37,114
Total Assets	<i>1,684,272</i>	1,469,906	1,451,674	1,492,622	866,901	828,577	811,059
Current Liabilities	<i>557,806</i>	468,472	339,592	197,287	174,181	166,913	132,778
	<i>1,126,466</i>	1,000,834	1,112,081	1,295,335	692,720	661,664	678,281
Presented by:							
Equity-net	<i>1,015,105</i>	911,352	1,010,125	1,167,855	563,211	543,911	571,517
Long term loans	<i>11,149</i>	19,213	26,295	46,066	52,209	26,270	36,700
Deferred Liability	<i>100,212</i>	70,269	75,661	81,414	77,300	91,484	70,065
	<i>1,126,466</i>	1,000,834	1,112,081	1,295,335	692,720	661,664	678,281

QUESTION AND ANSWER SESSION

Honorable guests and shareholders are requested to proceed for Question & answer session with regards to financial statements for the year ended June 30,2025.

THANKYOU