

CONTENTS

Inside This Issue

Company Information	2-3
Directors' Report to the Shareholders	4
Auditors' Report to the Members	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	7
Condensed Interim Statement of Comprehensive Income	8
Condensed Interim Cash Flow Statement	9
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Accounts	11-16

COMPANY INFORMATION

BOARD OF DIRECTORS:

Mr. Ahmed Javed	(Chairman)
Mr. Omar Saeed	(Chief Executive)
Mr. M. Ijaz Butt	
Mr. Arif Saeed	
Mr. Hassan Javed	
Mr. Riaz Ahmed	
Mr. Shaukat Ellahi Shaikh	
Mr. Muhammad Amin	
Mr. Manzoor Ahmed (NIT)	

ADVISOR:

Ch. Ahmad Saeed

COMPANY SECRETARY:

Mr. Sultan Anwar

CHIEF FINANCIAL OFFICER:

Mr. Jawwad Faisal

AUDIT COMMITTEE:

Mr. Manzoor Ahmed	(Chairman)
Mr. Hassan Javed	(Member)
Mr. Riaz Ahmed	(Member)
Mr. Muhammad Amin	(Member)

HUMAN RESOURCE & REMUNERATION COMMITTEE:

Mr. Riaz Ahmed	(Chairman)
Mr. Arif Saeed	(Member)
Mr. Muhammad Amin	(Member)

AUDITORS:

M/s. S.M. Masood & Company
Chartered Accountants

LEGAL ADVISOR:

M/s. Bokhari Aziz & Karim
2-A Block-G, Gulberg-II, Lahore.

REGISTERED OFFICE:

Servis House, 2-Main Gulberg, Lahore-54662.
Phone No. +92-42-35751990-96
Fax No. +92-42-35710593, +92-42-35712109
Website address: www.servisgroup.com

COMPANY INFORMATION

SHARE REGISTRAR:

M/s. Hameed Majeed Associates (Private) Limited
1st Floor, H.M. House, 7-Bank Square, The Mall, Lahore.
Phone No. +92-42-37235081-2,
Fax No. +92-42-37358817

FACTORIES:

G.T. Road, Gujrat.
Muridke-Sheikhupura Road, Muridke.

BANKERS:

Habib Bank Limited
MCB Bank Limited
United Bank Limited
Faysal Bank Limited
Allied Bank Limited
Meezan Bank Limited
Barclays Bank PLC Pakistan
Samba Bank Limited
Standard Chartered Bank Pakistan Limited
Bank Alfalah Limited
HSBC Bank Middle East Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present the half yearly report on the performance of your company along with un-audited financial statements for the period ended June 30, 2013.

During first half of the year, economy remained under stress due to high inflation, weakening of Pak rupee and continuing power shortage. In addition, country went through the process of general elections and change of government. Despite all this, your company has achieved a healthy growth both in top and bottom line as evident from the financial results summarized below.

Financial performance for the period under review:

	Six Months ended June 30,			Quarter ended June 30,		
	2013	2012	Variance	2013	2012	Variance
Sales Revenue	7,266	5,805	25%	3,791	3,199	19%
Profit Before Tax	394	222	78%	205	108	90%
Profit after Tax	352	149	136%	209	53	294%
EPS	29.29	12.38	137%	17.38	4.40	295%

Revenue of Rs. 7.27 billion recorded during first half of the year posting a growth of 25% over last year. All profitability figures have also improved substantially compared with the corresponding period in 2012. Gross profit ratio increased from 14.4% to 16.0%, whereas net profit ratio was 4.8% against 2.6% during last year.

Footwear sales during the period have increased by 32% from Rs. 3,138 million to Rs. 4,140 million. This is a result of higher demand witnessed in both domestic and export markets. Profitability of footwear division has also improved as a result of better productivity and control measures taken by your management. However, recent hike in prices of key raw materials will remain a constant challenge in coming months.

Tyre & Tube sales increased by 18% from Rs. 2,640 million during the same period last year to Rs. 3,121million. This growth is mainly driven by our core segment of motor cycle tyres and tubes. We are confident that strengthened brand image and enhanced production capacity in this segment will continue to play an important role in future growth and profitability of your company.

Your management's efforts to improve efficiencies in manufacturing and supply chain processes has started yielding results. We are committed to keep our focus on these areas to improve shareholder value. At the same time, your company continues to invest in future growth and latest technology to fulfill market demand and deliver quality products to customers.

In view of improved profitability, the Board of Directors is pleased to announce interim dividend of 75% (Rs. 7.50 per share) for the year.

We would like to place on record our profound gratitude to our employees, bankers, suppliers and customers for their continued cooperation and support.

For and on behalf of the Board


Omar Saeed
(Chief Executive)

Dated: Aug 29, 2013
Place: Lahore

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **SERVICE INDUSTRIES LIMITED** as at **June 30, 2013** and the related condensed interim profit and loss account, condensed statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (herein after referred to as "Interim Financial Information"), for the period then ended. Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this Interim Financial Information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2012 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2013.

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 Information consists of making inquiries, primarily of persons responsible for 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.


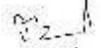
Conclusion

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

Dated: Aug 29, 2013
Place: Lahore
Audit Engagement Partner: S. M. Masood

S. M. MASOOD & CO.
Chartered Accountants

CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2013

	Note	(Unaudited) June 30, 2013	(Audited) Dec. 31, 2012
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant & equipment	5	1,820,090	1,648,805
Intangible assets		22,824	11,994
Long term investments	6	167,979	-
Long term loans		1,117	326
Long term deposits		33,129	23,465
		2,045,139	1,684,590
CURRENT ASSETS			
Stores, spares & loose tools		106,396	104,370
Stock in trade		2,333,816	2,132,742
Trade debts		1,369,109	1,244,889
Loans and advances		210,246	230,423
Trade deposits and prepayments		28,192	15,128
Other receivables		4,472	14,805
Tax refunds due from government		1,009,637	981,132
Cash & bank balances		17,755	13,429
		5,079,623	4,736,918
CURRENT LIABILITIES			
Trade & other payables		1,847,879	1,497,358
Interest and mark-up accrued		48,087	51,581
Short term borrowings		2,108,191	2,087,818
Current portion of:			
Long term financing		92,331	57,508
Liabilities against assets subject to finance lease		8,671	14,898
Provision for taxation		73,087	53,785
		4,178,246	3,762,948
NET CURRENT ASSETS		901,377	973,970
CAPITAL EMPLOYED		2,946,516	2,658,560
NON CURRENT LIABILITIES			
Long term financing		452,224	400,215
Long term deposits		1,260	2,600
Deferred liabilities		211,017	235,794
		664,501	638,609
Contingencies & Commitments	7	-	-
NET ASSETS		2,282,015	2,019,951
REPRESENTED BY			
Share capital			
Authorized: 20,000,000 (December 31, 2012: 20,000,000)			
ordinary shares of Rs. 10/- each		200,000	200,000
Issued, subscribed & paid up:			
12,028,789 (December 31, 2012: 12,028,789)			
ordinary shares of Rs. 10/- each		120,288	120,288
Reserves and surplus		2,161,727	1,899,663
		2,282,015	2,019,951
Annexed notes form an integral part of these financial statements.			
			
Chaudhry Ahmed Javed (Chairman)		Omar Saeed (Chief Executive)	

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT
FOR THE PERIOD ENDED JUNE 30, 2013 (UN-AUDITED)**

	Note	Six Months Ended		Three Months Ended	
		June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
(Rupees in thousand)					
Sales	8	7,266,420	5,805,123	3,791,159	3,199,396
Cost of sales	9	<u>6,105,973</u>	<u>4,966,055</u>	<u>3,213,233</u>	<u>2,747,059</u>
Gross profit		1,160,447	839,068	577,926	452,337
Distribution cost		299,980	224,415	140,377	137,530
Administrative expenses		284,499	244,660	139,045	124,863
Other operating expenses		47,356	23,725	24,147	12,368
		<u>631,835</u>	<u>492,800</u>	<u>303,569</u>	<u>274,761</u>
Operating profit before other income		528,612	346,268	274,357	177,576
Other operating income		<u>22,723</u>	<u>28,835</u>	<u>11,272</u>	<u>13,049</u>
Operating profit		551,335	375,103	285,629	190,625
Finance cost		<u>156,905</u>	<u>152,954</u>	<u>80,956</u>	<u>82,459</u>
Profit before taxation		394,430	222,149	204,673	108,166
Taxation		<u>42,146</u>	<u>73,223</u>	<u>(4,350)</u>	<u>55,248</u>
Profit after taxation		352,284	148,926	209,023	52,918
Earnings Per Share					
- Basic & Diluted - (Rupees)		<u>29.29</u>	<u>12.38</u>	<u>17.38</u>	<u>4.40</u>

Annexed notes form an integral part of these financial statements.



Chaudhry Ahmed Javed
(Chairman)



Omar Saeed
(Chief Executive)

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2013 (UN-AUDITED)**

	Six Months Ended		Three Months Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	(Rupees in thousand)			
Profit for the period	352,284	148,926	209,023	52,918
Other comprehensive income	-	-	-	-
	<u>352,284</u>	<u>148,926</u>	<u>209,023</u>	<u>52,918</u>

Annexed notes form an integral part of these financial statements.



Chaudhry Ahmed Javed
(Chairman)



Omar Saeed
(Chief Executive)

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2013 (UN-AUDITED)

	Six Months Ended	
	June 30, 2013	June 30, 2012
(Rupees in thousands)		
Cash flow from operating activities		
Profit before taxation	394,430	222,149
Adjustments for:		
Depreciation and amortization	97,088	93,195
Gratuity provision	11,489	8,618
Ijarah rentals	17,015	-
Finance cost	156,905	152,954
Provision for W.P.P.F.	21,183	11,931
Provision for W.W.F.	8,050	4,534
Provision for slow moving stocks	19,678	2,635
Profit on sale of fixed assets	(599)	(3,692)
Operating profit before working capital changes	<u>725,239</u>	<u>492,324</u>
Changes in working capital		
(Increase) in stores, spares and loose tools	(3,670)	(24,348)
(Increase) in stock in trade	(219,109)	(269,308)
(Increase) in trade debts	(124,220)	(339,924)
Decrease/ (Increase) in advances, deposits, prepayments and other receivables	17,446	(153,997)
Decrease/ (Increase) in Tax refunds due from government	20,012	(22,986)
Increase in trade and other payables	342,248	129,496
Cash generated from /(used in) operations	<u>757,946</u>	<u>(188,743)</u>
Finance cost paid	(160,399)	(140,321)
Income tax paid	(102,302)	(128,469)
Gratuity paid	(5,326)	(1,082)
W.P.P.F. and W.W.F. paid	(22,284)	(28,712)
Net cash generated from /(used in) operating activities	<u>467,635</u>	<u>(487,327)</u>
Cash flow from investing activities		
Capital expenditure	(281,710)	(107,881)
Proceeds from sale of property, plant and equipment	3,111	50,166
Long term investments	(167,979)	-
Long term loans	(791)	(22)
Long term deposits	(9,664)	(9,767)
Net cash (used in) investing activities	<u>(457,033)</u>	<u>(67,504)</u>
Cash flow from financing activities		
Long term deposits	(1,340)	50
Lease rentals paid	(23,242)	(8,800)
Short term borrowings - net	20,373	724,988
Long term financing	86,832	(40,302)
Dividend paid	(88,899)	(119,032)
Net cash (used in)/generated from financing activities	<u>(6,276)</u>	<u>556,904</u>
Net increase in cash and cash equivalents	<u>4,326</u>	<u>2,073</u>
Cash and cash equivalents at beginning of the period	<u>13,429</u>	<u>12,065</u>
Cash and cash equivalents at the end of the period	<u>17,755</u>	<u>14,138</u>

Annexed notes form an integral part of these financial statements.

Chaudhry Ahmed Javed
(Chairman)

Omar Saeed
(Chief Executive)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2013 (UN-AUDITED)**

	(Rupees in thousand)					
	Share capital	Capital reserves		Revenue reserves	Un-appropriated profit	Total
		Capital gain	Share premium			
Balance as at Dec. 31, 2011	120,288	102,730	21,217	1,358,208	410,463	2,012,906
Final dividend @ Rs. 10.00 per share	-	-	-	-	(120,295)	(120,295)
Net profit for the six months ended June 30, 2012	-	-	-	-	148,926	148,926
Balance as at June 30, 2012	120,288	102,730	21,217	1,358,208	439,094	2,041,537
Balance as at Dec. 31, 2012	120,288	102,730	21,217	1,558,208	217,508	2,019,951
Final dividend @ Rs. 7.50 per share	-	-	-	-	(90,220)	(90,220)
Net profit for the six months ended June 30, 2013	-	-	-	-	352,284	352,284
Balance as at June 30, 2013	120,288	102,730	21,217	1,558,208	479,572	2,282,015

Annexed notes form an integral part of these financial statements.



Chaudhry Ahmed Javed
(Chairman)



Omar Saeed
(Chief Executive)

NOTES TO THE CONDENSED INTERIM ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 2013 (UN-AUDITED)

1. The Company and its operations

Service Industries Limited is a Public Limited Company incorporated in Pakistan. Its shares are quoted on Lahore and Karachi Stock Exchanges. Its registered office is located at Servis House, 2-Main Gulberg, Lahore. The principal activities of the Company are manufacture and sale of footwear, tyre & tube and technical rubber products.

2. Basis of preparation

These financial statements for the half year ended June 30, 2013 are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". These financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984.

3. Accounting policies

Accounting policies adopted for the preparation of these financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company.

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended December 31, 2012.

4. Provisions for income tax, Workers' Profit Participation Fund and Workers' Welfare Fund have been made on the basis of six months' profit. These are subject to change on final results.

		(Unaudited) JUNE 30, 2013	(Audited) DEC. 31, 2012
	Note	(Rupees in thousand)	
5. PROPERTY, PLANT & EQUIPMENT			
Operating fixed assets	5.1	1,657,842	1,502,733
Capital work in progress		162,248	146,072
		<u>1,820,090</u>	<u>1,648,805</u>
5.1 Operating fixed assets			
Opening written down value		1,502,733	1,543,297
Add: Additions during the period/year	5.2	250,928	193,977
		1,753,661	1,737,274
Less: Disposals during the period/year (at book value)		2,502	57,427
		1,751,159	1,679,847
Less: Depreciation charged during the period/year		93,317	177,114
		<u>1,657,842</u>	<u>1,502,733</u>

NOTES TO THE CONDENSED INTERIM ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 2013 (UN-AUDITED)

(Unaudited) JUNE 30, 2013	(Audited) DEC. 31, 2012
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(Rupees in thousand)

5.2 Following is the detail of additions during the period/year

Building on freehold land	48,280	53,233
Plant & machinery	169,856	83,772
Furniture, fixture & fittings	93	802
Vehicles	3,409	3,686
Service equipments	23,161	21,059
Last and moulds	2,349	31,425
Leasehold improvements	3,780	-
	250,928	193,977

6. LONG TERM INVESTMENTS

This represent amount invested in Speed (Private) Limited. It is currently stated at cost because the acquisition was completed at period end, therefore investment was not increased/(decreased) with the amount of post acquisition profit/(loss) as required by IAS 28. As a result of this investment Service Industries Limited now holds 22.22% ownership of the Speed (Private) Limited which makes the Speed (Private) Limited an associate of Service Industries Limited.

7. CONTINGENCIES AND COMMITMENTS

Contingencies

- 7.1** The Collectorate of Customs, Sambrial (Sialkot) initiated a case against the Company on March 15, 2003 before the Collector of Customs, Sales Tax and Central Excise (Adjudication) Lahore. The Customs department had alleged that the consignments of the Company were released without the payment of duties and taxes amounting to Rs. 17.99 million. The Company has strongly put forward its case that the said consignments were cleared against demand drafts prepared in favor of Collector of Customs, Sambrial Dry Port Trust and had been duly credited in the designated bank account. The case has been decided in favor of the Company by Collector (Appeal) Customs. The department has filed an appeal against the said decision before Sales Tax, Federal Excise and Customs Tribunal, Lahore, which is still pending. However, the Company has a strong case therefore no provision has been made in these financial statements against the case.
- 7.2** The Additional Collector (Adjudication) PACCS, Karachi had initiated case against the Company for failure to pay leviable sales tax and income tax of Rs. 18.6 million and Rs. 4.1 million respectively at import of tyre cord fabrics during the period w.e.f. August 2007 to July 2008 by wrongly claiming Sales Tax zero rating in terms of S.R.O 509 (1)/2007 dated 09-06-2007. The case has been remanded back by the Appellate Tribunal Inland Revenue, Lahore to the Commissioner (Appeals) LTU, Lahore, which is still pending. According to the Company's legal counsel, the Company has a strong case with high probability of its success.
- 7.3** The Deputy Director PESSI, Gujrat has initiated two cases against Service Industries Limited. In the first case the alleged amount recoverable by the PESSI is Rs. 4.80 million covering the period January 1987 to September 1992 on account of short payment of contributions. In the second case, Rs.1.98 million is to be recoverable by the company from PESSI on account of wrongly paid contributions covering the period July 1992 to September 1993. Both cases have been decided against the Company by the Director General Recovery PESSI, Lahore. Now the company has filed an appeal before Social Security Court, Lahore, which is pending. As per legal counsel of the Company, the Company has strong legal grounds for its success.
- 7.4** The DCIR, LTU had initiated a case against the Company after post Sales Tax refund audit in which demand of Rs. 27.92 million was raised. The Company filed an appeal before CIR appeals in which the demand was cancelled except two points having impact of Rs. 2.65 million. The Company had further filed an appeal before Tribunal against said points. As per legal counsel of the Company, the Company has strong legal grounds for its success.

NOTES TO THE CONDENSED INTERIM ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 2013 (UN-AUDITED)

Commitments

- 7.5** Guarantees issued through banks Rs.64.42 million (Dec-2012 : Rs.65.01 million).
7.6 Irrevocable letters of credit Rs.629.55 million (Dec-2012 : Rs.466.79 million).
7.7 The amount of future Ijarah financing and the period in which these payments will become due are as follows:

	(Unaudited) June 30, 2013	(Audited) December 31, 2012
	(Rupees in thousands)	
Not later than one year	35,117	32,049
Later than one year but not later than five years	66,012	75,990

		Six Months Ended		Three Months Ended	
		JUNE 30, 2013	JUNE 30, 2012	JUNE 30, 2013	JUNE 30, 2012
Note		(Rupees in thousand)			
8. SALES					
Sale of Footwear (Net)					
Export		1,691,179	1,200,197	764,794	542,217
Local		2,449,193	1,937,651	1,248,694	1,165,313
		4,140,372	3,137,848	2,013,488	1,707,530
Sale of Tyre Division (Net)					
Export		161,122	166,038	106,064	34,751
Local		2,960,008	2,473,964	1,671,154	1,441,429
		3,121,130	2,640,002	1,777,218	1,476,180
Others (Net)					
Export		-	11	-	6
Local		4,918	27,262	453	15,680
		4,918	27,273	453	15,686
		7,266,420	5,805,123	3,791,159	3,199,396

9. COST OF SALES

Raw material consumed	9.1	4,372,309	3,742,395	2,224,313	2,126,048
Salaries, wages & benefits		811,118	576,049	418,873	301,594
Stores & spares consumed		104,727	106,208	61,775	72,854
Packing material consumed		221,396	178,468	115,460	97,623
Fuel & power		297,852	215,445	155,408	118,971
Insurance		4,922	4,621	2,455	2,361
Depreciation		77,114	73,394	40,052	37,041
Travelling and conveyance		2,970	2,620	2,017	1,631
Repair and maintenance		41,887	40,823	21,000	20,040
Entertainment		1,544	728	863	433
Provision of slow moving and obsolete item		19,678	2,635	13,647	340
Other manufacturing charges		130,746	110,357	61,626	56,451
		6,086,263	5,053,743	3,117,489	2,835,387

**NOTES TO THE CONDENSED INTERIM ACCOUNTS
FOR THE PERIOD ENDED JUNE 30, 2013 (UN-AUDITED)**

Note	Six Months Ended		Three Months Ended	
	JUNE 30, 2013	JUNE 30, 2012	JUNE 30, 2013	JUNE 30, 2012
	(Rupees in thousand)			
Work in process				
Opening stock	419,117	300,306	492,266	270,984
Closing stock	(450,331)	(415,619)	(450,331)	(415,619)
	<u>31,214</u>	<u>(115,313)</u>	<u>41,935</u>	<u>(144,635)</u>
Cost of goods manufactured	6,055,049	4,938,430	3,159,424	2,690,752
Finished goods				
Opening stock	480,371	579,504	493,981	627,449
Finished goods purchased	19,955	23,921	9,230	4,658
Closing stock	(449,402)	(575,800)	(449,402)	(575,800)
	<u>50,924</u>	<u>27,625</u>	<u>53,809</u>	<u>56,307</u>
	<u>6,105,973</u>	<u>4,966,055</u>	<u>3,213,233</u>	<u>2,747,059</u>
9.1 Raw Material Consumed:				
Opening stock	1,164,969	968,134	1,038,758	925,555
Purchases	4,308,295	3,771,824	2,286,510	2,198,056
Closing stock	(1,100,955)	(997,563)	(1,100,955)	(997,563)
	<u>4,372,309</u>	<u>3,742,395</u>	<u>2,224,313</u>	<u>2,126,048</u>

**NOTES TO THE CONDENSED INTERIM ACCOUNTS
FOR THE PERIOD ENDED JUNE 30, 2013 (UN-AUDITED)**

10. SEGMENT REPORTING

	(Rupees in thousand)							
	Footwear		Tyre Division		Technical Rubber Products		Total	
	6 months ended June 30, 2013	6 months ended June 30, 2012	6 months ended June 30, 2013	6 months ended June 30, 2012	6 months ended June 30, 2013	6 months ended June 30, 2012	6 months ended June 30, 2013	6 months ended June 30, 2012
External sales	4,140,372	3,137,848	3,121,130	2,640,002	4,918	27,273	7,266,420	5,805,123
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	4,140,372	3,137,848	3,121,130	2,640,002	4,918	27,273	7,266,420	5,805,123
Profit/ (loss) before tax and unallocated expenses	298,617	177,359	487,580	372,750	(21,694)	5,615	764,503	555,724
Unallocated corporate expenses								
Finance cost	-	-	-	-	-	-	(143,892)	(142,480)
Other operating expenses	-	-	-	-	-	-	(226,715)	(195,298)
Other operating income	-	-	-	-	-	-	534	4,203
Taxation	-	-	-	-	-	-	(42,146)	(73,223)
Profit after taxation	-	-	-	-	-	-	352,284	148,926

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2013 (UN-AUDITED)

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, entities over which the directors are able to exercise influence, staff retirement funds, directors and key management personnel. Balances and transactions with the related parties are shown as follows:

<-----Rupees in thousands----->

Party Name	Relationship with Company	Nature of transactions	Amount of transactions	Jun-13 (Unaudited)		Dec-12 (Audited)	
				Closing balance		Closing balance	
				Debit	Credit	Debit	Credit
SAB Polymer Industries (Private) Limited	Associated	Sales	1,592	15,613	-	20,089	-
SBL Trading (Private) Limited	Associated	Sales	-	11,805	-	40,405	-
Service Provident Fund Trust	Provident fund	Contribution	34,650	-	15,717	-	14,348
Service Industries Pension Fund Trust	Pension fund	Contribution	58	-	3	-	3
Service Industries Limited Employees Gratuity Fund	Gratuity fund	Contribution	11,489	-	38,174	-	32,011

12. Figures have been rounded off to the nearest thousands of rupees and corresponding figures have been re arranged, where necessary, for the comparison purposes. However no material re-arrangements have been made.

13. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on August 29, 2013, has proposed an interim cash dividend of Rs. 7.50 per share (December 31, 2012: cash dividend of Rs. 7.50 per share).

14. AUTHORIZATION DATE

These financial statements were approved and authorized for issue by the Board of Directors as on August 29, 2013.



Chaudhry Ahmed Javed
(Chairman)



Omar Saeed
(Chief Executive)