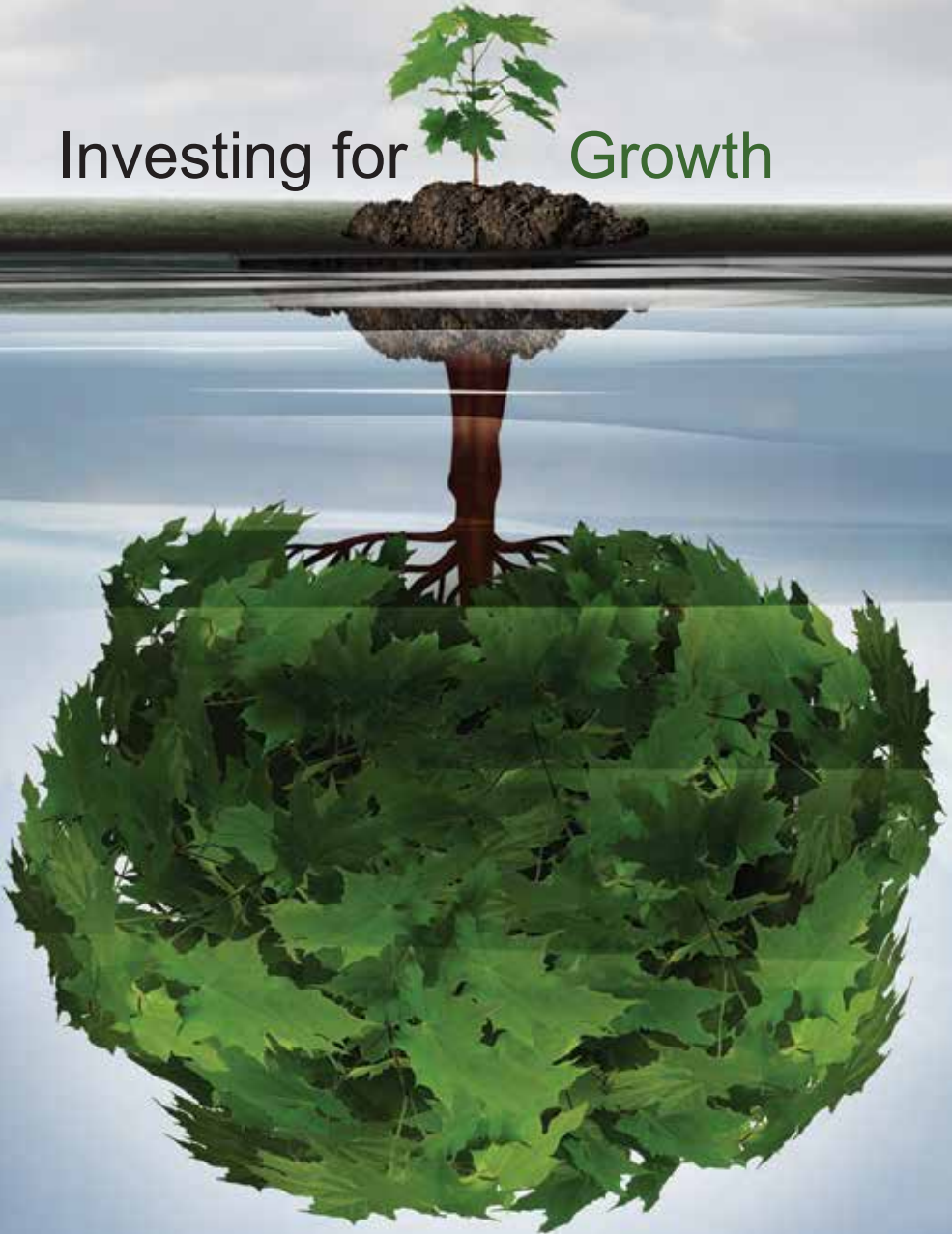


Investing for Growth



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Company Information

Board of Directors

Chaudhry Ahmed Javed

(Chairman)

Non-Executive Director

Mr. Arif Saeed

(Chief Executive Officer)

Executive Director

Mr. Omar Saeed

Executive Director

Mr. Hassan Javed

Executive Director

Mr. Riaz Ahmed

Non-Executive Director

Mr. Osman Saifullah Khan

Independent Director

Mr. Muhammad Naeem Khan

Independent Director

Mr. Shahid Hussain Jatoi

Independent Director

Mrs. Ayesha Naweed

Independent Director

Chief Financial Officer

Mr. Badar Ul Hassan

Company Secretary

Mr. Waheed Ashraf

Audit Committee

Mr. Muhammad Naeem Khan

Chairman

Mr. Osman Saifullah Khan

Member

Mr. Riaz Ahmed

Member

Human Resource and Remuneration Committee

Mrs. Ayesha Naweed

Chairperson

Mr. Arif Saeed

Member

Mr. Riaz Ahmed

Member

Bankers

Allied Bank Limited

Askari Bank limited

Bank Al Habib Limited

Bank Alfalah Limited

Faysal Bank limited

Habib Bank Limited

Habib Metro Bank

ICBC Pakistan

MCB Bank Limited

MCB Islamic Bank

Meezan Bank Limited

National Bank Limited

Samba Bank Limited

Silk Bank Limited

Standard Chartered Bank

(Pakistan) Limited

Soneri Bank Limited

The Bank of Punjab

The Bank of Khyber

BankIslami Pakistan Limited

Dubai Islamic Bank Limited

United Bank Limited

SME Bank Limited

Auditors

M/s. Riaz Ahmad & 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.

Tel: +92-42-35751990-96

Shares Registrar

M/s. Corplink (Pvt.) Limited

Wings Arcade, 1-K

Commercial, Model Town, Lahore

Tel: +92-42-35916714,

35916719,

35839182





Pakistan Stock Exchange Limited
Stock Exchange Symbol SRVI

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

Web Presence
www.servisgroup.com



Directors' Report to the Shareholders

The Directors take pleasure in presenting their Report along with the condensed unconsolidated interim financial statements of Service Industries Limited ("SIL") for the three months period ended March 31, 2023.

Key Performance Indicators (KPIs)

Please find below key performance indicators of condensed unconsolidated interim financial statements of SIL for the three months period ended March 31, 2023.

Particulars	Quarter Ended		
	March 31, 2023 "000"	March 31, 2022 "000"	Percentage Change
Net sales	11,352,417	8,680,033	30.79%
Gross profit	2,699,014	1,652,701	63.31%
Operating profit	1,437,365	646,430	122.35%
Profit after tax	295,998	50,014	491.83%
Earnings Per Share (Rs.)	6.30	1.06	494.34%

SIL has recorded a healthy increase in its topline for the first quarter, as sales clocked in at PKR 11.35 billion; showing an increase of 30.79% against a sale of PKR 8.68 billion in the same period last year. Despite inflationary pressures, increase in markup rates and prevailing uncertainty in the economy; your company was still able to record a growth in its Gross Profit and Profit After Tax by 63.31% and 491.83% respectively.

Tyre Division

The Tyre Division, our biggest revenue contributor, has shown a top line growth of almost PKR 1.29 billion i.e. 21% in this quarter in comparison to same quarter last year. This growth in revenue stream was the result of expansion in production capacities and increase in prices.

The division faced severe challenges due to inflation, devaluation and increase in markup rates. In response to these challenges, the management have increased prices at strategic times; without losing its industry leadership position. Further, the dealership network has been strengthened to obtain the maximum benefit from our strong presence in the market.

Installation and commissioning of a state of the art mixing plant has been completed and its production has started.

The management is determined to maintain its market position and capitalize on the brand image of Servis Tyres. The division has invested heavily in capacity enhancement which should result in further increase in sales in the current year with lower operational cost.

Footwear Division

Our footwear sales showed increase of 76% in the current quarter in comparison to same quarter last year. The increase is both volumetric and price driven. Export and local sales mix remained the same during the period.

The retail business has been on continuous expansion due to opening of retail outlets throughout the country. The number of retail outlets increased from 103 as at March 31, 2022 to 174 by March 31, 2023. Return of Servis Brand, regular price increases, diverse portfolio offerings and geographical spread of stores at prime locations have resulted in better margins.

On the other hand, with the return of Servis brand we have started to pull its weight on wholesale segment also which have seen considerable volumetric growth.

Spare parts for automobiles

Sales from spare parts have remained the same in the current quarter as compared to last quarter ended March 31, 2022. In-house production of Chain and Sprockets commenced in November last year.

Earnings Per Share (EPS)

The earnings per share of the Company stood at PKR 6.30 for the three months period under review as compared to PKR 1.06 in the same period last year.

Future Outlook

Pakistan is going through a period of economic turmoil with rising inflation, increasing interest rates, aggressive devaluation, political instability and worsening macro-economic indicators battering the industry on all fronts.

The company management's is actively tracking the latest developments, making efforts to take benefit of every opportunity and managing all known risks that may pose threat to profitability. Effective working capital management, rigorous pricing mechanism and opening of new retail outlets are among a few of the steps taken. The company is striving to increase both its topline and bottom line, as higher sales would increase profitability by absorbing fixed costs.

Acknowledgment

We would like to convey our sincere appreciation to our colleagues on the Board for their valuable guidance and support and to all our employees for their tireless efforts, dedication and commitment and, our customers for their trust in our products. On behalf of the Board, we also wish to extend our gratitude to our shareholders for their support and trust placed in us.

For and on behalf of the Board



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)

April 27, 2023
Lahore.

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**Condensed
Unconsolidated Interim
Financial Statements**

Condensed Unconsolidated Interim Statement of Financial Position (Unaudited)

As at March 31, 2023

	(Unaudited) March 31, 2023	(Audited) December 31, 2022
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital 100,000,000 (2022: 100,000,000) ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid-up share capital	469,874	469,874
Reserves	7,095,700	6,801,547
Total equity	7,565,574	7,271,421
LIABILITIES		
Non-current liabilities		
Long term financing	7,223,417	7,102,730
Long term deposits	31,915	1,915
Lease liabilities	3,870,145	3,721,780
Employees' retirement benefit	221,390	214,459
Deferred liabilities	650,533	616,041
	11,997,400	11,656,925
Current liabilities		
Trade and other payables	8,856,965	6,359,206
Accrued mark-up	453,039	612,873
Short term borrowings	12,583,799	11,699,132
Current portion of non-current liabilities	2,399,460	2,608,205
Unclaimed dividend	42,030	42,030
	24,335,293	21,321,446
Total liabilities	36,332,693	32,978,371
Contingencies and commitments	4	
TOTAL EQUITY AND LIABILITIES	43,898,267	40,249,792

The annexed notes form an integral part of these condensed unconsolidated interim financial statements.



Arif Saeed
(Chief Executive)

		(Unaudited) March 31, 2023	(Audited) December 31, 2022
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	5	11,308,061	10,736,350
Right-of-use assets		3,470,277	3,386,718
Intangible assets		8,907	9,376
Long term investments	6	8,002,979	7,987,951
Long term loans to employees		14,040	13,422
Long term security deposits		209,438	188,810
		23,013,702	22,322,627
Current assets			
Stores, spares and loose tools		566,079	568,953
Stock-in-trade		11,240,320	9,164,082
Trade debts		5,150,847	4,914,679
Loans and advances		1,301,450	695,309
Advance income tax - net of provision for taxation		504,172	536,034
Trade deposits and prepayments		304,855	236,834
Other receivables		222,933	205,067
Short term investment		179,914	181,615
Cash and bank balances		1,413,995	1,424,592
		20,884,565	17,927,165
TOTAL ASSETS		43,898,267	40,249,792



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Unconsolidated Interim Statement of Profit or Loss (Unaudited)

For the quarter ended March 31, 2023

		(Unaudited) March 31, 2023	(Unaudited) March 31, 2022
	Note	(Rupees in thousand)	
Sales - net	7	11,352,417	8,680,033
Cost of sales	8	(8,653,403)	(7,027,332)
Gross profit		2,699,014	1,652,701
Distribution cost		(947,755)	(704,609)
Administrative expenses		(439,182)	(334,138)
Other expenses		(57,033)	(26,875)
		(1,443,970)	(1,065,622)
Other Income		1,255,044	587,079
		182,321	59,351
Profit from Operations		1,437,365	646,430
Finance cost		(948,396)	(548,336)
		488,969	98,094
Share of profit in equity accounted investee - net of taxation		16,872	3,498
Profit before taxation		505,841	101,592
Taxation		(209,843)	(51,578)
Profit after taxation		295,998	50,014
Earnings per share - basic and diluted (rupees)		6.30	1.06

The annexed notes form an integral part of these condensed unconsolidated interim financial statements.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Unconsolidated Interim Statement of Comprehensive Income (Unaudited)

For the quarter ended March 31, 2023

	(Unaudited) March 31, 2023	(Unaudited) March 31, 2022
	(Rupees in thousand)	
Profit after taxation	295,998	50,014
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Deficit arising on remeasurement of investment at fair value through other comprehensive income - net of tax	(1,845)	(31,039)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive loss for the quarter ended - net of tax	(1,845)	(31,039)
Total comprehensive income for the quarter ended 31 march 2023	294,153	18,975

The annexed notes form an integral part of these condensed unconsolidated interim financial statements.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Unconsolidated Interim Statement of Changes in Equity (Unaudited)

For the quarter ended March 31, 2023

	Reserves										Total equity	
	Capital reserves					Revenue reserves						Total
	Share capital	Capital gains	Fair value reserve FVOCI investment	Share premium	Share of share premium reserve held by equity accounted investee	Reserve pursuant to the scheme	Sub total	General reserve	Un-appropriated profit	Sub total		
	Rupees in thousand											
Balance as at 31 December 2021 - audited	469,874	102,730	64,998	21,217	23,935	927,163	1,140,043	1,558,208	4,140,056	5,698,264	6,838,307	7,308,181
Profit for the quarter ended 31 March 2022	-	-	-	-	-	-	-	-	50,014	50,014	50,014	50,014
Other comprehensive loss for the quarter ended 31 March 2022	-	-	(31,039)	-	-	-	(31,039)	-	-	-	(31,039)	(31,039)
Total comprehensive income for the quarter ended 31 March 2022	-	-	(31,039)	-	-	-	(31,039)	-	50,014	50,014	18,975	18,975
Balance as at 31 March 2022 - unaudited	469,874	102,730	33,959	21,217	23,935	927,163	1,109,004	1,558,208	4,190,070	5,748,278	6,857,282	7,327,156
Balance as at 31 December 2022 - audited	469,874	102,730	55,892	21,217	23,935	927,163	1,130,937	1,558,208	4,112,402	5,670,610	6,801,547	7,271,421
Profit for the quarter ended 31 March 2023	-	-	(1,845)	-	-	-	(1,845)	-	295,998	295,998	295,998	295,998
Other comprehensive loss for the quarter ended 31 March 2023	-	-	(1,845)	-	-	-	(1,845)	-	-	-	(1,845)	(1,845)
Total comprehensive income for the quarter ended 31 March 2023	-	-	(1,845)	-	-	-	(1,845)	-	295,998	295,998	294,153	294,153
Balance as at 31 March 2023 - unaudited	469,874	102,730	54,048	21,217	23,935	927,163	1,129,093	1,558,208	4,408,400	5,966,608	7,095,700	7,565,574

The annexed notes form an integral part of these condensed unconsolidated interim financial statements.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Unconsolidated Interim Statement of Cash Flows (Unaudited)

For the quarter ended March 31, 2023

	(Unaudited) March 31, 2023	(Unaudited) March 31, 2022
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	505,841	101,592
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	368,529	269,003
Provision for gratuity	14,159	11,167
Finance cost	948,396	548,336
Provision for workers' profit participation fund	24,935	4,052
Provision for workers' welfare fund	7,208	2,156
Provision for slow moving and obsolete inventory	6,196	7,749
Allowance for expected credit losses	6,790	5,842
Share of profit in equity accounted investee	(16,872)	(3,498)
Operating profit before working capital changes	1,865,181	946,399
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	2,874	(134,793)
Stock-in-trade	(2,076,238)	(631,471)
Trade debts	(236,168)	(956,529)
Loans, advances, trade deposits, prepayments and other receivables	(695,975)	(958,278)
	(3,005,507)	(2,681,071)
Increase in trade and other payables	2,460,968	422,305
	(544,539)	(2,258,766)
Cash generated from / (used in) operations	1,320,642	(1,312,367)
Finance cost paid	(1,108,230)	(438,949)
Income tax paid	(138,300)	(132,987)
Employees' retirement benefits paid	(7,228)	(15,065)
Long term loans - net	(618)	(12,241)
Long term deposits - net	(20,628)	(17,426)
Net cash generated from / (used in) operating activities	45,638	(1,929,035)
Cash flow from investing activities		
Capital expenditure on operating fixed assets	(834,180)	(1,628,756)
Short term investments - net	1,701	(23,971)
Long term investments - net	-	(7,215)
Net cash used in investing activities	(832,479)	(1,659,942)

Condensed Unconsolidated Interim Statement of Cash Flows (Unaudited)

For the quarter ended March 31, 2023

(Unaudited) (Unaudited)
March March
31, 2023 31, 2022
 (Rupees in thousand)

Cash flow from financing activities

Long term financing - net	(83,355)	557,020
Short term borrowings - net	884,667	3,222,626
Deferred liabilities	(5,188)	-
Repayment of lease liabilities	(49,880)	(89,725)
Dividend paid	-	(10)
Long term deposits - net	30,000	-
Net cash from financing activities	776,244	3,689,911
Net (decrease) / increase in cash and cash equivalents	(10,597)	100,934
Cash and cash equivalents at the beginning of the period	1,424,592	699,296
Cash and cash equivalents at the end of the period	1,413,995	800,230

The annexed notes form an integral part of these condensed unconsolidated interim financial statements.



Arif Saeed
 (Chief Executive)



Omar Saeed
 (Director)



Badar Ul Hassan
 (Chief Financial Officer)

Selected Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

1. The Company and its Operations

Service Industries Limited (the Company) was incorporated as a private limited Company on 20 March 1957 in Pakistan under the Companies Act, 1913 (now Companies Act, 2017), was converted into a public limited Company on 23 September 1959 and got listed on 27 June 1970. The shares of the Company are quoted on Pakistan Stock Exchange. The registered office of the Company is located at 2-Main Gulberg, Lahore. The principal activities of the Company are purchase, manufacture and sale of footwear, tyres and tubes and technical rubber products. These condensed unconsolidated interim financial statements pertain to Service Industries Limited as an individual entity.

2 Basis of Preparation

2.1 These condensed unconsolidated 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 of:

- 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 the 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.

2.2 These condensed unconsolidated interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2022. These condensed unconsolidated interim financial statements are un-audited.

3. Accounting Policies

The accounting policies and methods of computations adopted for the preparation of these condensed unconsolidated interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended December 31, 2022.

3.1 Critical Accounting Estimates and Judgments

The preparation of these condensed unconsolidated interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed unconsolidated interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended December 31, 2022.

Selected Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

4. Contingencies and Commitments

4.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended December 31, 2022.

4.2 Commitments

4.2.1 Guarantees issued in ordinary course of business through banks are of Rupees 2,453.647 million (December 31, 2022: Rupees 2,453.647 million).

4.2.2 Contracts for capital expenditure are approximately of Rupees 49.483 million (December 31, 2022: Rupees 384.709 million).

4.2.3 Letters of credit other than capital expenditure are of Rupees 1,541.778 million (December 31, 2022: Rupees 1,589.768 million).

4.2.4 The Company has obtained vehicles under ijarah arrangements from Meezan Bank Limited and Bank Al Habib Limited for a period of five years. Future Ujrah payments under Ijarah are as follows:

		(Unaudited) March 31, 2023	(Audited) December 31, 2022
	Note	(Rupees in thousand)	
Not later than one year		47,036	61,463
Later than one year and not later than five years		28,260	43,657
		75,295	105,120

5. Fixed Assets

Operating fixed assets	5.1	9,727,874	8,800,881
Capital work-in-progress		1,580,187	1,935,469
		11,308,061	10,736,350

5.1 Operating fixed assets

Opening written down value		8,800,881	7,375,009
Add: Additions during the period / year	5.2	1,189,461	2,294,816
		9,990,342	9,669,825
Less: Disposals during the period / year (at book value)	5.2	(15,319)	(2,330)
Less: Written off due to fire		-	(2,865)
Less: Adjustment		-	(11,450)
		9,975,024	9,653,180
Less: Depreciation charged during the period / year		(247,150)	(852,299)
		9,727,874	8,800,881

5.2 Following is the detail of additions and disposals during the quarter / year:

	Additions		Disposals - NBV	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	(Rupees in thousand)			
Freehold Land	-	95,896	-	-
Building on freehold land	294,370	187,474	-	-
Plant and machinery	735,429	1,260,253	-	13
Furniture, fixture and fittings	8,484	36,978	3,371	315
Vehicles	13,147	140,057	4,374	785
Service equipments	77,149	285,675	2,600	1,217
Leasehold improvements	60,881	288,483	4,974	-
	1,189,461	2,294,816	15,319	2,330

	Note	(Unaudited)	(Audited)
		March 31, 2023	December 31, 2022
		(Rupees in thousand)	
6 Long term investments			
Investment in subsidiary companies - at cost	6.1	7,559,766	7,559,766
Investment in associate (with significant influence) - under equity method	6.2	361,031	344,159
Investment in joint ventures - at cost	6.3	-	-
Other investment - at FVTOCI	6.4	82,181	84,026
		8,002,979	7,987,951

6.1 Investment in subsidiary companies - at cost

Service Industries Capital (Private) Limited

40,000,000 (2022: 40,000,000) fully paid ordinary shares of Rupees 10 each
Equity held 100% (2022:100%)

400,000 400,000

Service Global Footwear Limited

163,550,000 (2022: 163,550,000) fully paid ordinary shares of Rupees 10 each
Equity held 79.75% (2022: 79.75%)

3,026,185 3,026,185

Selected Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

	(Unaudited) March 31, 2023	(Audited) December 31, 2022
	(Rupees in thousand)	
Service Long March Tyres (Private) Limited		
411,233,350 (2022: 411,233,350) fully paid ordinary shares of Rupees 10 each	4,126,367	4,126,367
Equity held 32.09% (2022: 32.09%)		
SIL Gulf (FZE)		
1 (2022: 1) fully paid share of UAE Dirhams 150,000	7,215	7,215
Equity held 100% (2022: 100%)		
	7,559,766	7,559,766
6.2 Investment in associate (with significant influence) - under equity method		
Speed (Private) Limited		
160,709 (2022: 160,709) fully paid ordinary shares of Rupees 100 each	190,949	190,949
Share of post acquisition reserve		
As at the beginning of the period / year	153,210	124,622
Share of post acquisition profit for the period / year	16,872	28,588
	170,082	153,210
	361,031	344,159
6.3 Investment in joint ventures - at cost		
S2 Power Limited		
24,000 (2022: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
S2 Hydro Limited		
24,000 (2022: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
Impairment loss recognized against investments	(480)	(480)
	-	-
6.4 Other investment - at FVTOCI		
TRG Pakistan Limited		
775,000 (2022: 775,000) fully paid ordinary shares of Rupees 10 each	17,089	17,089
Fair value adjustment	65,092	66,937
	82,181	84,026

(Unaudited)

March 31, 2023	March 31, 2022
(Rupees in thousand)	

7

Sales**Sales of footwear - net**

Export sales	311,913	315,912
Local sales	2,915,102	1,519,032
Processing Income	7,665	-
	3,234,680	1,834,944

Sale of tyres - net

Export sales	1,246,263	815,726
Local sales	6,147,568	5,288,424
	7,393,830	6,104,150

Sales of spare parts for automobiles - net

Local sales	693,756	699,979
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Sales of technical rubber products - net

Local sales	30,150	40,960
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11,352,417	8,680,033
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Selected Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

		(Unaudited)		
		March	March	
		31, 2023	31, 2022	
		(Rupees in thousand)		
	Note			
8	Cost of sales			
	Raw materials consumed	8.1	6,644,074	5,741,137
	Salaries, wages and other benefits		763,444	638,197
	Stores and spares consumed		110,824	98,128
	Packing materials consumed		205,344	168,540
	Fuel and power		528,487	498,338
	Insurance		15,961	7,707
	Travelling		11,605	8,403
	Repair and maintenance		69,919	62,206
	Entertainment		5,303	656
	Depreciation		188,274	156,919
	Provision for slow moving and obsolete inventory		6,196	7,749
	Other manufacturing charges		33,517	25,076
			8,582,948	7,413,056
	Work-in-process			
	Opening stock		760,874	559,759
	Less: Closing stock		(1,258,046)	(1,330,070)
			(497,173)	(770,311)
	Cost of goods manufactured		8,085,775	6,642,745
	Finished goods			
	Opening stock		4,772,799	4,068,747
	Add: Purchases during the period		1,951,145	1,105,567
	Less: Closing stock		(6,156,316)	(4,789,727)
			567,628	384,587
			8,653,403	7,027,332
8.1	Raw materials consumed			
	Opening stock		3,571,065	4,326,819
	Add: Purchases during the period		6,836,445	4,876,458
	Less: Closing stock		(3,763,435)	(3,462,140)
			6,644,074	5,741,137

Selected Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

9. Segment information

The Company has three reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Footwear:

Purchase, manufacturing and sale of different qualities of footwear.

Tyre:

Manufacturing of different qualities of tyres and tubes.

Others: Manufacturing of different qualities of rubber products on specifications and trading and manufacturing of spare parts of automobiles.

Footwear		Tyre		Others		Total - Company	
Quarter Ended		Quarter Ended		Quarter Ended		Quarter Ended	
Un-Audited		Un-Audited		Un-Audited		Un-Audited	
March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

(Rupees in thousand)

Sales	3,234,680	1,834,944	7,393,830	6,104,150	723,906	740,939	11,352,417	8,680,033
Profit / (loss) before taxation and unallocated income and expenses	159,647	(59,620)	1,247,166	758,885	21,823	47,696	1,428,635	746,961
Unallocated income and expenses:							(922,794)	(645,369)
Taxation							(209,843)	(51,578)
Profit after taxation							295,998	50,014

Selected Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

9.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Others		Total - Company	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Total assets for reportable segment	12,916,217	10,991,281	17,438,918	16,283,976	2,315,637	2,232,004	32,670,772	29,507,261
Unallocated assets							11,227,495	10,742,532
Total assets as per condensed unconsolidated interim statement of financial position							43,898,267	40,249,793
Unallocated liabilities							36,332,693	32,978,371
Total liabilities as per condensed unconsolidated interim statement of financial position							36,332,693	32,978,371

(Rupees in thousand)

Selected Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

10 Recognized fair value measurements - financial instruments (i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At March 31, 2023 (Un-audited)	Level 1	Level 2	Level 3	Total
	Rupees in thousand			
Financial assets				
Financial assets at fair value through other comprehensive income	82,181	-	-	82,181
Total financial assets	82,181	-	-	82,181
<hr/>				
Recurring fair value measurements At December 31, 2022 (audited)	Level 1	Level 2	Level 3	Total
	Rupees in thousand			
Financial assets				
Financial assets at fair value through other comprehensive income	84,026	-	-	84,026
Total financial assets	84,026	-	-	84,026

Selected Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further, there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

11 Transactions with Related Parties

Related parties comprise subsidiary companies, associated undertakings, joint ventures, other related parties, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties are as follows:

(Unaudited)

March	March
31, 2023	31, 2022
(Rupees in thousand)	

(i) **Transactions:****Subsidiary Companies**

Interest on loan	100,210	106,038
Sale of goods	270,403	35,898
Purchase of goods	122,018	6,208
Loan repaid	148,000	1,610,515
Loan obtained	525,497	2,908,257
Expenses charged	58,968	55,101
Services rendered	16,665	9,000

Associated Companies

Donations	15,100	15,469
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Key management personnel - Directors & their spouses

Remuneration	47,758	38,394
Meeting fee to directors - non executive	640	160

Other related parties

Employees' retirement benefits	52,114	41,526
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(ii) **Period end balances**

As at 31 March 2023 (Un-audited)		
Subsidiary companies	Other related parties	Total

(Rupees in thousand)

Employee benefit plans	-	256,560	256,560
Short term loan payable	377,497	-	377,497
Trade debts	38,437	-	38,437
Long Term loan	2,250,000	-	2,250,000

Selected Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

	As at 31 December 2022 (Audited)		
	Subsidiary companies	Other related parties	Total
	(Rupees in thousand)		
Employee benefit plans	-	246,620	246,620
Short term loan payable	7,618	-	7,618
Long Term loan	2,250,000	-	2,250,000

12 The financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at December 31, 2022.

13 Date of authorization for issue

These condensed unconsolidated interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Company.

14 Corresponding figures

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed unconsolidated interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, condensed unconsolidated interim statement of changes in equity, the condensed unconsolidated interim statement of profit or loss, condensed unconsolidated interim statement of comprehensive income and condensed unconsolidated interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison.

15 General

Figures have been rounded off to nearest thousand of Rupees, except stated otherwise.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)



**Condensed
Consolidated Interim
Financial Statements**

Group Directors' Report to the Shareholders

The Directors take pleasure in presenting their Report along with the Condensed Consolidated Interim Financial Statements of the Service Industries Limited and its subsidiaries for the period ended March 31, 2023.

The Group comprises of Service Industries Limited, Service Industries Capital (Private) Limited, a wholly owned subsidiary of Service Industries Limited, Service Global Footwear Limited, a partially owned subsidiary of Service Industries Limited, Service Long March Tyres (Private) Limited, partially owned subsidiary of Service Industries Limited, Service Shoes Lanka (Private) Limited, a partially owned subsidiary company of Service Industries Capital (Private) Limited, SIL Gulf FZE, a wholly owned subsidiary of Service Industries Limited and Dongguan Service Global Limited, wholly owned subsidiary company of Service Global Footwear Limited.

Service Industries Limited

The Director Report providing a commentary on the performance of Service Industries Limited for the period ended March 31, 2023 has been presented separately. Service Industries Limited has annexed its Condensed Consolidated Interim Financial Statements along with its Condensed Unconsolidated Interim Financial Statements, in accordance with the requirements of International Financial Reporting Standards and Companies Act 2017.

Service Industries Capital (Private) Limited

Service Industries Capital (Private) Limited is wholly owned subsidiary of the Service Industries Limited. Service Industries Capital (Private) Limited got registered under the Companies Ordinance, 1984 (now the Companies Act 2017) in Pakistan as a company limited by shares on November 10, 2015. The registered office of Service Industries Capital (Private) Limited is situated at Servis House, 2-Main Gulberg, Lahore. The main object of Service Industries Capital (Private) Limited is to make investment in new ventures, shares and securities, listed or otherwise, in Pakistan or elsewhere in the world, subject to requirements of applicable law.

Service Global Footwear Limited

Service Global Footwear Limited was incorporated as a public limited company on 19 July 2019 in Pakistan under the Companies Act, 2017. The principal activities of the Company are manufacturing, sale, marketing, import and export of footwear, leather and allied products. Service Industries Limited has 79.75% (2022: 79.75%) equity stake in Service Global Footwear Limited. The Director Report providing a commentary on the performance of Service Global Footwear Limited for the period ended March 31, 2023 has been presented in its separate report.

Service Long March Tyres (Private) Limited

Service Long March Tyres (Private) Limited is a Private Limited Company incorporated in Pakistan on January 07, 2020 under Companies Act, 2017 (XIX of 2017). The registered office of the Company is situated at Servis House, 2-Main Gulberg, Lahore. The principal line of business of the Company is to carry on the business of manufacturing, sale, marketing, import and export of all steel radial truck and bus tyres.

The shareholding of Service Industries Limited in Service Long March Tyres (Private) Limited is 32.09% (2022:32.09%) and shareholding of Service Global Footwear Limited in Service Long March Tyres (Private) Limited is 18.91% (2022: 18.91%).

The Company and Service Global Footwear Limited - subsidiary company collectively hold 51% of the ordinary shares of Service Long March Tyres (Private) Limited and controls the composition of the board of Service Long March Tyres (Private) Limited.

Service Shoes Lanka (Private) Limited

Service Shoes Lanka (Private) Limited is a subsidiary company of Service Industries Capital (Private) Limited, which is wholly owned subsidiary of Service Industries Limited. Service Shoes Lanka (Private) Limited is a Private Limited Liability Company incorporated on July 16, 2015 and domiciled in Sri Lanka under the provisions of the Companies Act No. 07 of 2007. The registered office of the Company is located at No 143/17, Sri Wickrema Mawatha, Colombo 15 and the principal place of business is located at Katunayake.

SIL Gulf FZE

SIL Gulf FZE, a wholly owned subsidiary of Service Industries Limited, is incorporated in United Arab Emirates under the applicable corporate regulatory requirements of the jurisdiction. The principal object of the Company is to engage in selling of tyre and allied products.

Dongguan Service Global Limited

Dongguan Service Global Limited is a limited liability company (wholly owned by foreign legal person) registered with Dongguan Administration of Market Regulations, China. Date of incorporation of Dongguan Service Global Limited is 18 December 2022. Business scope of Dongguan Service Global Limited is wholesale of shoes and hats, sales of leather products, sales of needle textiles and raw materials, wholesale of hardware products, sales of bags, sales of daily necessities, inspection of clothing and apparel, finishing services, technical services and other related matters. Commercial address of Dongguan Service Global Limited is Room 302, No. 18, Houjie Town, Dongguan City, Guangdong Province, China. Subsidiary Company shall own 100% shares of Dongguan Service Global Limited. However, Service Global Footwear Limited - Subsidiary Company is still in process of remitting funds into the bank account of Dongguan Service Global Limited against the shares subscribed and expects to make investment in shares of Dongguan Service Global Limited shortly.

For and on Behalf of the Board



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)

April 27, 2023
Lahore.

Condensed Consolidated Interim Statement of Financial Position (Unaudited)

As at March 31, 2023

	(Unaudited) March 31, 2023	(Audited) December 31, 2022
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
100,000,000 (2022: 100,000,000) ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid-up share capital	469,874	469,874
Reserves	8,650,638	8,248,530
Non-controlling interest	6,561,676	6,580,739
Total equity	15,682,188	15,299,143
LIABILITIES		
Non-current liabilities		
Long term financing	13,498,687	13,387,147
Long term deposits	31,915	1,915
Lease liabilities	3,870,145	3,721,780
Employees' retirement benefit	406,892	371,850
Deferred liabilities	2,384,279	2,369,499
	20,191,918	19,852,191
Current liabilities		
Trade and other payables	13,082,051	9,939,781
Accrued mark-up	854,986	1,139,189
Short term borrowings	24,037,559	23,436,108
Current portion of non-current liabilities	2,852,193	3,060,938
Unclaimed dividend	46,880	46,880
	40,873,669	37,622,896
Liabilities directly associated with the assets held for sale	802,902	582,594
Total liabilities	61,868,489	58,057,681
Contingencies and commitments	5	
TOTAL EQUITY AND LIABILITIES	77,550,677	73,356,824

The annexed notes form an integral part of these condensed consolidated interim financial statements.



Arif Saeed
(Chief Executive)

		(Unaudited) March 31, 2023	(Audited) December 31, 2022
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	6	33,302,727	32,852,198
Right-of-use assets		3,470,277	3,386,718
Intangible assets		8,907	9,376
Long term investments	7	652,476	626,612
Long term loans to employees		40,063	35,600
Long term security deposits		220,887	199,382
		37,695,337	37,109,886
Current assets			
Stores, spares and loose tools		717,172	682,046
Stock-in-trade		19,212,825	19,480,754
Trade debts		10,963,270	8,582,194
Loans and advances		2,778,288	1,730,019
Trade deposits and prepayments		484,775	274,158
Other receivables		2,395,748	2,148,055
Advance income tax - net of provision for taxation		780,232	821,400
Accrued interest		11,065	17,609
Short Term Investments		179,914	181,615
Cash and bank balances		1,990,610	2,043,598
		39,513,899	35,961,448
Assets held for sale		341,441	285,490
TOTAL ASSETS		77,550,677	73,356,824



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Consolidated Interim Statement of Profit or Loss (Unaudited)

For the quarter ended March 31, 2023

	Note	(Unaudited) March 31, 2023 (Rupees in thousand)	(Unaudited) March 31, 2022
Continuing operations			
Sales - net	8	19,127,333	11,235,639
Cost of sales	9	(15,257,684)	(9,040,519)
Gross profit		3,869,649	2,195,120
Distribution cost		(1,181,410)	(943,576)
Administrative expenses		(644,039)	(491,863)
Other expenses		(78,837)	(44,108)
		(1,904,286)	(1,479,547)
		1,965,363	715,573
Other Income		303,547	99,750
Profit from Operations		2,268,910	815,323
Finance cost		(1,440,901)	(511,291)
		828,009	304,032
Share of profit / (loss) in equity accounted investee - net of taxation		27,709	(4,514)
Profit before taxation		855,718	299,518
Taxation		(288,059)	(116,606)
Profit after taxation from continuing operations		567,659	182,912
Discontinued operations			
Loss after taxation from discontinued operations		(34,173)	-
Profit after taxation		533,486	182,912
Share of profit attributable to:			
Equity holders of the holding company		491,375	175,662
Non-controlling interest		42,111	7,250
		533,486	182,912
Earnings per share - basic and diluted (rupees)		10.46	3.74
Earnings per share from continuing operations - basic and diluted (rupees)		10.89	3.74

The annexed notes form an integral part of these condensed consolidated interim financial statements.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Consolidated Interim Statement of Comprehensive Income (Unaudited)

For the quarter ended March 31, 2023

	(Unaudited) March 31, 2023	(Unaudited) March 31, 2022
	(Rupees in thousand)	
Profit after taxation	533,486	182,912
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Deficit arising on remeasurement of investment at fair value through other comprehensive income - net of tax	(1,845)	(31,039)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign subsidiary	(148,596)	87,735
Exchange difference on translation of goodwill	-	(11,871)
	(148,596)	75,864
Other comprehensive (loss) / income for the period - net of tax	(150,441)	44,825
Total comprehensive income for the period	383,045	227,737
Share of total comprehensive income attributable to:		
Equity holders of the holding company	402,108	185,380
Non-controlling interest	(19,063)	42,357
	383,045	227,737

The annexed notes form an integral part of these condensed consolidated interim financial statements.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)

For the quarter ended March 31, 2023

Attributable to the equity holders of the holding company																	
	Capital reserves							Revenue reserves			Shareholders Equity	Non-controlling interest	Total equity				
	Share capital	Fair value reserve FVOCI investment	Share premium	Share of share premium reserved by equity accounted investee	Exchange translation reserve	Reserve pursuant to the Scheme	Share options reserve	Share of employees' share compensation reserve held by equity accounted investee	Subtotal	General reserve				Un-appropriated profit	Subtotal	Total Reserves	
Balance as at 31 December 2021 - audited	469,874	102,730	64,998	1,356,636	44,395	(2,088)	927,163	14,978	256	2,508,270	1,558,208	5,153,924	6,712,132	9,220,402	9,690,276	5,663,630	15,353,906
Recognition of share option reserve scheme								3,810		3,810			3,810		3,810	952	4,762
Profit for the quarter ended 31 March 2023												175,662	175,662	175,662	175,662	7,250	182,912
Other comprehensive income / (loss) for the quarter ended 31 March 2023			(31,039)							9,718		-	9,718	9,718	9,718	35,107	44,825
Total comprehensive income for the quarter ended 31 March 2023			(31,039)							9,718		175,662	185,380	185,380	185,380	42,357	227,737
Balance as at 31 March 2022 - unaudited	469,874	102,730	33,959	1,356,636	44,395	37,871	927,163	18,788	256	2,521,798	1,558,208	5,329,586	6,887,794	9,409,952	9,879,466	5,706,939	15,586,405
Balance as at 31 December 2022 - audited	469,874	102,730	55,892	1,368,228	44,395	54,568	927,163	19,962	307	2,573,245	1,558,208	4,117,077	5,675,285	8,248,530	8,718,404	6,580,739	15,299,143
Profit for the quarter ended 31 March 2023												491,375	491,375	491,375	491,375	42,111	533,486
Other comprehensive loss for the quarter ended 31 March 2023			(1,845)							(87,267)		-	(87,267)	(87,267)	(89,267)	(61,174)	(150,441)
Total comprehensive income for the quarter ended 31 March 2023			(1,845)							(87,267)		491,375	404,108	404,108	402,108	(19,063)	383,045
Balance as at 31 March 2023 - unaudited	469,874	102,730	54,048	1,368,228	44,395	(32,854)	927,163	19,962	307	2,483,978	1,558,208	4,608,452	6,166,660	8,650,638	9,120,512	6,561,676	15,682,188

The annexed notes form an integral part of these condensed consolidated interim financial statements.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Consolidated Interim Statement of Cash Flows (Unaudited)

For the quarter ended March 31, 2023

	(Unaudited) March 31, 2023	(Unaudited) March 31, 2022
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	855,718	299,518
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	689,077	314,980
Provision for gratuity	21,366	16,246
Finance cost	1,440,901	617,299
Provision for workers' profit participation fund	36,042	14,281
Provision for workers' welfare fund	11,651	7,651
Provision for slow moving and obsolete inventory	2,777	11,749
Allowance for expected credit losses	6,790	5,842
Profit on saving accounts and term deposit receipts	(70)	(2,458)
Employee share option expense	-	4,762
Interest on loan to associate	(5,725)	(819)
Share of (profit) / loss in equity accounted investee	(27,709)	4,514
Operating profit before working capital changes	3,030,818	1,293,565
Working capital changes		
Increase / (decrease) in current assets:		
Stores, spares and loose tools	(35,494)	(574,014)
Stock-in-trade	266,191	(2,023,253)
Trade debts	(2,395,964)	(1,535,620)
Loans, advances, trade deposits, prepayments and other receivables	(1,503,038)	(3,073,082)
	(3,668,305)	(7,205,969)
Increase in trade and other payables	3,293,923	1,469,045
	(374,382)	(5,736,924)
Cash generated from / (used in) operations	2,656,436	(4,443,359)
Finance cost paid	(1,725,104)	(595,977)
Income tax paid	(205,586)	(155,769)
Employees' retirement benefits paid	(13,676)	(17,511)
Long term loans - net	(4,463)	(14,772)
Long term deposits - net	(21,505)	(18,564)
Net cash generated from / (used in) operating activities	686,102	(5,245,952)
Cash flow from investing activities		
Capital expenditure on operating fixed assets	(1,032,986)	(4,076,552)
Mark-up received on loan to Service Industries Limited - Holding Company	-	57,837
Short term investments - net	1,701	(23,971)
Net cash used in investing activities	(1,031,285)	(4,042,686)

Condensed Consolidated Interim Statement of Cash Flows (Unaudited)

For the quarter ended March 31, 2023

(Unaudited) (Unaudited)
March March
31, 2023 31, 2022
 (Rupees in thousand)

Cash flow from financing activities

Long term financing - net	(82,425)	1,157,906
Short term borrowings - net	601,451	5,420,019
Repayment of lease liabilities	(49,876)	(89,725)
Long term deposit received	(30,000)	-
Dividend paid	-	(10)
Net cash generated from financing activities	439,150	6,488,190
Effects of exchange rate changes on cash and cash equivalents	(148,596)	87,768
Net decrease in cash and cash equivalents	(54,628)	(2,712,680)
Cash and cash equivalents at the beginning of the period	2,045,895	4,593,434
Cash and cash equivalents at the end of the period	1,991,267	1,880,754

The annexed notes form an integral part of these condensed consolidated interim financial statements.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

1. The Group and its Operations

The Group consists of:

Holding Company

- Service Industries Limited

Subsidiary Companies

- Service Global Footwear Limited
- Service Industries Capital (Private) Limited
- Service Shoes Lanka (Private) Limited
- Service Long March Tyres (Private) Limited
- SIL Gulf FZE
- Dongguan Service Global Limited

Service Industries Limited

Service Industries Limited was incorporated as a private limited company on 20 March 1957 in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017), converted into a public limited company on 23 September 1959 and got listed on 27 June 1970. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activities of the Company are purchase, manufacture and sale of footwear, tyres and tubes and technical rubber products.

Service Global Footwear Limited

Service Global Footwear Limited was incorporated as a public limited company on 19 July 2019 in Pakistan under the Companies Act, 2017. The principal activities of the Company are manufacturing, sale, marketing, import and export of footwear, leather and allied products. It is subsidiary of Service Industries Limited. Ownership interest held by non-controlling interest in Service Global Footwear Limited – Subsidiary Company is 20.25% (2022:20.25%).

Service Industries Capital (Private) Limited

Service Industries Capital (Private) Limited is a private limited company incorporated in Pakistan on 10 November 2015 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). Its registered office and head office is situated at Servis House, 2-Main Gulberg, Lahore. The principal objects of the Company are to hold investments in subsidiaries / joint ventures and other companies, entities and organizations, listed or otherwise in Pakistan or elsewhere in the world subject to all the applicable laws and procedures but not to act as an investment company. It is wholly owned subsidiary of Service Industries Limited.

Service Shoes Lanka (Private) Limited

Service Shoes Lanka (Private) Limited is a Private Limited Liability Company incorporated on 16 July 2015 under the provisions of the Companies Act No. 07 of 2007 in Sri Lanka. The registered office of the Company is located at No. 143 / 17, Sri Wickrema Mawatha, Colombo and the principal place of business is located at Katunayake, Sri Lanka. It is subsidiary of Service Industries Capital (Private) Limited which is wholly owned subsidiary of Service Industries Limited. Ownership interest held by non-controlling interest in Service Shoes Lanka (Private) Limited – Subsidiary Company is 40% (2022: 40%).

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

Service Long March Tyres (Private) Limited

Service Long March Tyres (Private) Limited is a Private Limited Company incorporated in Pakistan on January 07, 2020 under Companies Act, 2017 (XIX of 2017). The registered office of the Company is situated at Servis House, 2-Main Gulberg, Lahore. The principal line of business of the Company is to carry on the business of manufacturing, sale, marketing, import and export of all steel radial truck and bus tyres. Ownership interest held by non-controlling interest in Service Long March Tyres (Private) Limited – Subsidiary Company is 49% (2022: 49%).

SIL Gulf FZE

SIL Gulf FZE, a wholly owned subsidiary of Service Industries Limited, is incorporated in United Arab Emirates under the applicable corporate regulatory requirements of the jurisdiction. The principal object of the Company is to engage in selling of tyre and allied products.

Dongguan Service Global Limited

Dongguan Service Global Limited is a limited liability company (wholly owned by foreign legal person) registered with Dongguan Administration of Market Regulations, China. Date of incorporation of Dongguan Service Global Limited is 18 December 2022. Business scope of Dongguan Service Global Limited is wholesale of shoes and hats, sales of leather products, sales of needle textiles and raw materials, wholesale of hardware products, sales of bags, sales of daily necessities, inspection of clothing and apparel, finishing services, technical services and other related matters. Commercial address of Dongguan Service Global Limited is Room 302, No. 18, Houjie Town, Dongguan City, Guangdong Province, China. Service Global Footwear Limited – subsidiary company shall own 100% shares of Dongguan Service Global Limited. However, Service Global Footwear Limited is still in process of remitting funds into the bank account of Dongguan Service Global Limited against the shares subscribed and expects to make investment in shares of Dongguan Service Global Limited shortly.

2. Basis of Consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The assets and liabilities of Subsidiary Companies have been consolidated on a line-by-line basis and carrying value of investments held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Companies.

Intragroup balances and transactions have been eliminated.

Non-controlling interest are that part of net results of the operations and of net assets of Subsidiary Companies attributable to interest which are not owned by the Holding Company. Non-controlling interest are presented as separate item in the condensed consolidated interim financial statements.

b) Associate

Associate is an entity over which the Group has significant influence but not control or joint control.

Investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate is recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate is eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investment in equity method accounted for associate is tested for impairment in accordance with the provision of IAS 36 'Impairment of Assets'

c) Translations of the financial statements of foreign subsidiary

The financial statements of foreign subsidiary of which the functional currency is different from that used in preparing the Group's financial statements are translated in functional currency of the Group. Statement of financial position items are translated at the exchange rate at the reporting date and statement of profit and loss items are converted at the average rate for the period. Any resulting translations differences are recognized under exchange translation reserve in consolidated reserves.

3. Basis of Preparation

3.1 These condensed consolidated 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 of.

- 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 Companies Act, 2017.

Where the 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.

These do not include all the information required for the full set of annual financial statements and the consolidated condensed interim financial statements should be read in conjunction with the annual audited consolidated financial statements of the company for the year ended December 31, 2022.

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

3.2 The condensed consolidated interim financial statements are presented in Pak Rupee which is the company's functional and presentation currency.

4. Accounting Policies

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

The preparation of condensed consolidated interim financial statements 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 these condensed consolidated interim financial statements, 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 audited consolidated financial statements as at and for the year ended December 31, 2022.

5. Contingencies and Commitments

5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published consolidated financial statements of the Company for the year ended December 31, 2022 except for the following:

5.1.1 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 2,125.755 million (December 31, 2022 Rupees 2,471.501 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheques issued as security shall be encashable.

5.1.2 Guarantees issued in ordinary course of business through banks are of Rupees 3,180.516 million (2022: Rupees 2,559.917 million).

5.2 Commitments

5.2.1 Contracts for capital expenditure are approximately of Rupees 135.522 million (2022: Rupees 696.522 million).

5.2.2 Letters of credit other than capital expenditure are of Rupees 3,297.734million (2022: Rupees 3,095.448 million).

5.2.3 The Company has obtained vehicles under ijarah arrangements from Meezan Bank Limited and Bank Al Habib Limited for a period of five years. Future Ujrah payments under Ijarah are as follows:

		(Unaudited) March 31, 2023	(Audited) December 31, 2022
	Note	(Rupees in thousand)	
Not later than one year		57,467	71,971
Later than one year and not later than five years		41,867	59,819
		99,333	131,790

6. Fixed Assets

Operating fixed assets	6.1	31,196,238	30,509,561
Capital work-in-progress		2,106,489	2,342,637
		33,302,727	32,852,198

6.1 Operating fixed assets

Opening net book value		30,509,561	10,361,648
Add: Additions during the period / year	6.2	1,269,134	22,176,115
		31,778,695	32,537,763
Less: Disposals during the period / year (at book value)	6.2	(17,288)	(8,019)
Less: Written off due to fire		-	(13,264)
Less: Adjustment		-	(11,450)
		31,761,407	32,505,030
Currency retranslation		-	(22,034)
Less: Assets held for sale		-	(105,405)
		31,761,407	32,377,591
Less: Depreciation charged during the period / year		(565,169)	(1,868,030)
		31,196,238	30,509,561

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

6.2 Following is the detail of additions and disposals during the quarter / year:

	Additions		Disposals - NBV	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	(Rupees in thousand)			
Land	-	95,896	-	-
Building on freehold land	294,370	291,593	-	-
Building on leasehold land	-	6,850,150	-	-
Plant and machinery	767,114	13,726,812	-	5,621
Furniture, fixture and fittings	8,484	159,727	3,371	315
Vehicles	58,830	210,266	4,374	785
Service equipments	79,455	553,188	4,569	1,298
Leasehold improvements	60,881	288,483	4,974	-
	1,269,134	22,176,115	17,288	8,019
			(Unaudited) March 31, 2023	(Audited) December 31, 2022
		Note	(Rupees in thousand)	
7 Long term investments				
Investment in associate (with significant influence) - under equity method	7.1		570,295	542,586
Investment in joint ventures - at cost	7.2		-	-
Other investment - at FVTOCI	7.3		82,181	84,026
			652,476	626,612

	(Unaudited) March 31, 2023	(Audited) December 31, 2022
	(Rupees in thousand)	
7.1 Investment in associate (with significant influence) - under equity method		
Speed (Private) Limited		
263,909 (2022: 263,909) fully paid ordinary shares of Rupees 10 each	342,526	342,526
Share of post acquisition reserve		
As at the beginning of the period / year	200,060	153,111
Share of post acquisition profit for the period / year	27,709	46,949
	227,769	200,060
	570,295	542,586
JOMO Technologies (Private) Limited		
46,666,667 (2022: 46,666,667) fully paid ordinary shares of Rupees 10 each	80,000	80,000
As at the beginning of the period / year	(80,000)	(69,742)
Adjustmen due to deemed disposal of equity accounted investee	-	29,107
Share of employees share compensation reserves	-	78
Share of post acquisition profit for the period / year	-	(39,369)
Share of other comprehensive loss - net of tax	-	(74)
	(80,000)	(80,000)
	-	-
	570,295	542,586
7.2 Investment in joint ventures - at cost		
S2 Power Limited		
24,000 (2022: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
S2 Hydro Limited		
24,000 (2022: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
Impairment loss recognized against investments	(480)	(480)
	-	-

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

	(Unaudited) March 31, 2023	(Audited) December 31, 2022
	(Rupees in thousand)	
7.3 Other investment - at FVTOCI		
TRG Pakistan Limited		
775,000 (2022: 775,000) fully paid ordinary shares of Rupees 10 each	17,089	17,089
Fair value adjustment	65,092	66,937
	82,181	84,026

	(Unaudited)	
	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
8 Sales		
Sales of footwear - net		
Export sales	3,926,808	2,860,135
Local sales	2,796,093	1,528,428
	6,722,901	4,388,563
Sale of tyres - net		
Export sales	1,873,814	815,726
Local sales	9,806,712	5,290,411
	11,680,526	6,106,137
Sales of technical rubber products - net		
Local sales	30,150	40,960
Sales of spare parts for automobiles - net		
Local sales	693,756	699,979
	19,127,333	11,235,639

		(Unaudited)		
		March	March	
		31, 2023	31, 2022	
		(Rupees in thousand)		
9	Cost of sales	Note		
	Raw materials consumed	9.1	11,498,784	6,858,259
	Salaries, wages and other benefits		1,612,697	1,192,227
	Stores and spares consumed		206,741	143,207
	Packing materials consumed		385,120	306,258
	Fuel and power		860,020	553,184
	Insurance		40,449	11,233
	Travelling		47,263	16,472
	Repair and maintenance		122,751	72,450
	Entertainment		7,887	1,608
	Depreciation		501,267	234,890
	Provision for slow moving and obsolete inventory		2,777	11,749
	Other manufacturing charges		74,130	62,255
			15,359,886	9,463,792
	Work-in-process			
	Opening stock		1,819,427	1,076,910
	Less: Closing stock		(2,334,508)	(1,916,569)
			(515,081)	(839,659)
	Cost of goods manufactured		14,844,805	8,624,133
	Finished goods			
	Opening stock		8,262,653	4,948,497
	Add: Purchases during the period		1,650,842	1,048,733
	Less: Closing stock		(9,500,616)	(5,580,844)
			412,879	416,386
			15,257,684	9,040,519
9.1	Raw materials consumed			
	Opening stock		9,317,005	5,544,894
	Add: Purchases during the period		9,490,505	8,351,805
	Less: Closing stock		(7,308,726)	(7,038,440)
			11,498,784	6,858,259

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

10 Segment Information

The Company has three reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Footwear:

Purchase, manufacturing and sale of different qualities of footwear.

Tyre:

Manufacturing of different qualities of tyres and tubes.

Others: Manufacturing of different qualities of rubber products on specifications and trading and manufacturing of spare parts of automobiles.

	Footwear		Tyre		Others		Total - Company	
	Quarter Ended		Quarter Ended		Quarter Ended		Quarter Ended	
	Un-Audited	March 31, 2022	Un-Audited	March 31, 2022	Un-Audited	March 31, 2022	Un-Audited	March 31, 2022
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sales	6,722,901	4,388,563	11,680,526	6,106,137	723,906	740,939	19,127,333	11,235,639
				(Rupees in thousand)				
Profit before taxation and unallocated income and expenses	576,766	204,393	1,647,256	727,603	21,823	12,891	2,245,846	944,887
Unallocated income and expenses:								
Taxation							(1,424,301)	(645,369)
Profit after taxation							(288,059)	(116,606)
							533,486	182,912

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

10.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Others		Total - Company	
	Un-Audited March 31, 2023	Audited December 31, 2022	Un-Audited March 31, 2023	Audited December 31, 2022	Un-Audited March 31, 2023	Audited December 31, 2022	Un-Audited March 31, 2023	Audited December 31, 2022
Total assets for reportable segment	26,105,012	21,751,663	47,681,935	46,430,646	2,315,637	2,232,004	76,102,584	70,414,313
	(Rupees in thousand)							
Unallocated assets							1,448,093	2,942,511
Total assets as per condensed consolidated interim statement of financial position							77,550,677	73,356,824
Unallocated liabilities							61,868,489	58,057,681
Total liabilities as per condensed consolidated interim statement of financial position							61,868,489	58,057,681

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

11 Recognized fair value measurements - financial instruments (i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed consolidated interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At March 31, 2023 (un-audited)	Level 1	Level 2	Level 3	Total
	Rupees in thousand			
Financial assets				
Financial assets at fair value through other comprehensive income	82,181	-	-	82,181
Total financial assets	82,181	-	-	82,181
<hr/>				
Recurring fair value measurements At December 31, 2022 (audited)	Level 1	Level 2	Level 3	Total
	Rupees in thousand			
Financial assets				
Financial assets at fair value through other comprehensive income	84,026	-	-	84,026
Total financial assets	84,026	-	-	84,026

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further, there was no transfer in and out of level 3 measurements.

The Group policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

12 Transactions with Related Parties

- (i) Transaction with related parties and associated undertakings, other than those disclosed elsewhere in the financial statements are as follows:

Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2023

	(Unaudited)	
	March	March
	31, 2023	31, 2022
	(Rupees in thousand)	
Associated companies		
Sale of goods	1,341	14,220
Purchase of Goods	116,239	685,183
Donations made	15,100	15,469
Loan Disbursed	4,500	-
Interest charged	5,725	819
Key management personnel - Directors & their spouses		
Remuneration	47,758	38,394
Meeting fee to directors - non executive	640	160
Other related parties		
Employees' retirement benefits	98,640	72,960

(ii) Period end balances

As at 31 March 2023 (Un-audited)			
	Subsidiary companies	Other related parties	Total
	(Rupees in thousand)		
Employee benefit plans	-	487,532	487,532
Trade debts	7,300	-	7,300
Accrued Interest	11,065	-	11,065
Trade and other payables	16,222	-	16,222
Loans and advances	134,500	-	134,500

As at 31 December 2022 (Audited)			
	Subsidiary companies	Other related parties	Total
	(Rupees in thousand)		
Employee benefit plans	-	460,904	460,904
Trade debts	5,958	-	5,958
Accrued Interest	5,340	-	5,340
Loans and advances	130,000	-	130,000

13 The Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the company's annual audited consolidated financial statements as at December 31, 2022.

There have been no changes in the risk management policies since the year end.

14 Date of authorization for issue

These condensed consolidated interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Company.

15 Corresponding figures

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed consolidated interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, condensed consolidated interim statement of changes in equity, the condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income and condensed consolidated interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison.

16 General

Figures have been rounded off to nearest thousand of Rupees, except stated otherwise.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

سروس شوز لنکا پرائیویٹ لمیٹڈ

سروس شوز لنکا (پرائیویٹ) لمیٹڈ، سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا ایک ذیلی ادارہ ہے، جو کہ سروس انڈسٹریز لمیٹڈ کا مکمل ملکیاتی ماتحت ادارہ ہے۔ سروس شوز لنکا (پرائیویٹ) لمیٹڈ ایک پرائیویٹ لمیٹڈ لڈ بلیٹی کمپنی ہے جو 16 جولائی 2015 کو کمپنیز ایکٹ 2007 کی دفعات کے تحت سری لنکا میں تشکیل دی گئی۔ کمپنی کارپوریشن ڈ آفس نمبر 143/17 سری وکرما موٹھا کولمبو 15 پر واقع ہے اور اس کا کاروباری مرکز کاتونانکے میں واقع ہے۔

SIL گلف FZE

SIL گلف FZE، سروس انڈسٹریز لمیٹڈ کا ایک مکمل ملکیاتی ذیلی ادارہ، جو کہ متحدہ عرب امارات میں متعلقہ قابل اطلاق قانونی تقاضوں کے تحت تشکیل دیا گیا ہے۔ SIL گلف FZE کا بنیادی مقصد ہائز اور اس سے منسلک مصنوعات کی فروخت ہے۔

ڈونگ گوان سروس گلوبل لمیٹڈ

ڈونگ گوان سروس گلوبل لمیٹڈ ایک لمیٹڈ لڈ بلیٹی کمپنی ہے (مکمل طور پر غیر ملکی قانونی شخص کی ملکیت ہے) جو کہ ڈونگ گوان انڈسٹریز آف مارکیٹ ریگولیشنز، چین کے ساتھ رجسٹرڈ ہے۔ ڈونگ گوان سروس گلوبل لمیٹڈ کی تاریخ تشکیل 18 دسمبر 2022 ہے۔ ڈونگ گوان سروس گلوبل لمیٹڈ کا کاروباری دائرہ کار جو توں اور ٹویوں کی بڑے پیمانے پر فروخت، چمڑے کی مصنوعات کی فروخت، سلسلے ہونے بلوسات اور اس سے منسلک خام مال کی فروخت، ہارڈ ویئر مصنوعات کی بڑے پیمانے پر فروخت، گیٹز کی فروخت، روزمرہ کی ضروریات، بلوسات کا معائنہ اور ان کی فنشنگ کی خدمات، تکنیکی خدمات اور دیگر متعلقہ امور پر محیط ہے۔

ڈونگ گوان سروس گلوبل لمیٹڈ کمرہ 302، نمبر 18، ہو جی ٹاؤن، ڈونگ گوان ٹی، گوانگ ڈونگ صوبہ، چین میں واقع ہے۔ ذیلی کمپنی ڈونگ گوان سروس گلوبل لمیٹڈ کے 100% حصص کی مالک ہوگی۔ تاہم، سروس گلوبل فٹ ویئر لمیٹڈ جو کہ سروس انڈسٹریز لمیٹڈ کی ذیلی کمپنی ہے، کی طرف سے ڈونگ گوان سروس گلوبل لمیٹڈ کو ابھی متعلقہ حصص کی رقم بھیجی جارہی ہیں اور توقع ہے کہ جلد ہی ڈونگ گوان سروس گلوبل لمیٹڈ کے حصص میں سرمایہ کاری کرے گی۔

منجانب بورڈ



عمر سعید
ڈائریکٹر



عارف سعید
چیف ایگزیکٹو

27 اپریل 2023

لاہور

گروپ کی ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لیے سروس انڈسٹریز لمیٹڈ اور اس کے ذیلی اداروں کے مختصر مجموعی عبوری مالیاتی معلومات کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

گروپ، سروس انڈسٹریز لمیٹڈ، سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ جو کہ سروس انڈسٹریز لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے، سروس گلوبل فٹ ویئر لمیٹڈ جو کہ سروس انڈسٹریز لمیٹڈ کا جزوی ملکیتی ذیلی ادارہ ہے، سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ جو کہ سروس انڈسٹریز لمیٹڈ کا جزوی ملکیتی ذیلی ادارہ ہے، سروس شوژلاک (پرائیویٹ) لمیٹڈ جو کہ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا جزوی ملکیتی ذیلی ادارہ ہے، SIL Gulf FZE، سروس انڈسٹریز لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے اور ڈونگ گوان سروس گلوبل لمیٹڈ، سروس گلوبل فٹ ویئر لمیٹڈ کا ذیلی ادارہ ہے پر مشتمل ہے۔

سروس انڈسٹریز لمیٹڈ

31 مارچ 2023 کو ختم ہونے والی سہ ماہی کی سروس انڈسٹریز لمیٹڈ کی کارکردگی پر ڈائریکٹرز کے تبصرہ کی رپورٹ الگ سے پیش کی گئی ہے۔ سروس انڈسٹریز لمیٹڈ نے انٹرنیشنل فنانسیشنل رپورٹنگ اسٹینڈرڈز اینڈ پریکٹیز ایکٹ 2017 کے تقاضوں کے مطابق اپنے مجموعی مختصر عبوری گوشواروں کے ساتھ اپنے انفرادی مختصر مجموعی عبوری مالیاتی گوشواروں کو اس رپورٹ میں منسلک کر دیا ہے۔

سروس انڈسٹریز کیپٹل پرائیویٹ لمیٹڈ

سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ، سروس انڈسٹریز لمیٹڈ کا مکمل ملکیتی ماتحت ادارہ ہے۔ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کو کمپنیز آرڈیننس 1984 (جو کہ اب کمپنیز ایکٹ 2017 ہے) کے تحت پاکستان میں 10 نومبر 2015 کو حصص کے لحاظ سے لمیٹڈ کمپنی کے طور پر رجسٹر کیا گیا۔ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا رجسٹرڈ آفس سروس ہاؤس، 2 مین گلبرگ، لاہور واقع ہے۔ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا بنیادی مقصد پاکستان یاد دہانی کمپنی اور قابل اطلاق قانون کے تقاضوں کے تابع نئے کاروباروں، حصص اور سیکیورٹیز میں سرمایہ کاری کرنا ہے۔

سروس گلوبل فٹ ویئر لمیٹڈ

سروس گلوبل فٹ ویئر لمیٹڈ کو 19 جولائی 2019 کو پاکستان میں ایک پبلک لمیٹڈ کمپنی کے طور پر کمپنیز ایکٹ 2017 کے تحت تشکیل دیا گیا تھا۔ کمپنی کی بنیادی سرگرمیاں جو تے، چمڑے اور متعلقہ مصنوعات کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد ہے۔ سروس گلوبل فٹ ویئر لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 79.75% (2022:79.75%) حصص ہیں۔ 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لیے سروس گلوبل فٹ ویئر لمیٹڈ کی کارکردگی پر ڈائریکٹرز کے تبصرہ کی رپورٹ الگ سے پیش کی گئی ہے۔

سروس لانگ مارچ ٹائرز پرائیویٹ لمیٹڈ

سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ ایک پرائیویٹ لمیٹڈ کمپنی ہے جو پاکستان میں 07 جنوری 2020 کو کمپنیز ایکٹ، 2017 (2017 کا XIX) کے تحت تشکیل دی گئی تھی۔ کمپنی کا رجسٹرڈ آفس سروس ہاؤس، 2 مین گلبرگ، لاہور میں واقع ہے۔ کمپنی کا بنیادی کاروبار سٹیل ریڈیل ٹرک اور بس ٹائروں کی تیاری، فروخت، مارکیٹنگ کی درآمد اور برآمد ہے۔ سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 32.09% (2022:32.09%) حصص ہیں اور سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس گلوبل فٹ ویئر لمیٹڈ کی حصص 18.91% (2022: 18.91%) ہے۔

سروس انڈسٹریز لمیٹڈ اور اس کی ذیلی کمپنی سروس گلوبل فٹ ویئر لمیٹڈ مجموعی طور پر سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ کے 51% حصص رکھتے ہیں اور سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ کے بورڈ کی تشکیل کی مجاز ہیں۔

2023 تک 174 ہوگئی۔ سروس برانڈ کی وابستگی، قیمتوں میں مناسب مواقع پر اضافہ، بہتر پروڈکٹ پورٹ فولیو اور ملک کے طول و عرض میں اہم مقامات پر ریٹیل اسٹورز کھولنے کے نتیجے میں بہتر مارجن حاصل ہوا ہے۔ اس کے ساتھ ساتھ، سروس برانڈ کی وابستگی سے ہم نے تھوک کے کاروبار پر بھی اپنا مثبت اثر دکھانا شروع کر دیا ہے جس کے فروخت کے حجم میں قبل ذکر اضافہ دیکھنے میں آیا ہے۔

آٹوموبیل کے پرزہ جات

پرزہ جات کی فروخت موجودہ سہ ماہی میں 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے برابر رہی۔ چین اور گرامری کی ان - ہاؤس پروڈکشن گزشتہ سال نومبر میں شروع ہوئی۔

فی شیئر آمدنی

اس سہ ماہی میں فی شیئر آمدنی 6.30 روپے رہی جو پچھلے سال کی اسی مدت میں 1.06 روپے تھی۔

مستقبل پر ایک نظر:

پاکستان معاشی بحران کے دور سے گزر رہا ہے جس میں بڑھتی ہوئی مہنگائی، شرح سود میں اضافہ، روپے کی قدر میں انتہائی کمی، سیاسی عدم استحکام اور بگڑتی ہوئی معیشت، صنعتوں کو تمام اطراف سے بری طرح متاثر کر رہے ہیں۔ کمپنی کی انتظامیہ فعال طور پر تازہ ترین پیشرفت پر نظر رکھے ہوئے ہے، کاروبار بڑھانے کے ہر موقع سے فائدہ اٹھانے کی کوششیں کر رہی ہے اور ان تمام ممکنہ خطرات سے بچنے کے لئے اقدامات کر رہی ہے جو منافع میں کمی کا باعث بن سکتے ہیں۔ ورکنگ کمیٹیٹیل کاموٹر استعمال، قیمتوں کے تعین کا انتہائی موثر طریقہ کار اور نئے ریٹیل اسٹورز کا قیام ان اقدامات میں شامل ہیں۔ کمپنی اپنی فروخت اور منافع دونوں کو بڑھانے کی کوشش کر رہی ہے، کیونکہ زیادہ فروخت مقررہ لاگت کے اثرات کو کم کر کے منافع میں اضافہ کرے گی۔

اظہار تشکر

ہم تہہ دل سے بورڈ کے ممبران کی قابل قدر رہنمائی اور تعاون کے مشکور ہیں۔ علاوہ ازیں ہم تمام ملازمین کی انتھک اور پر عزم کوششوں اور ہمارے گاہکوں کی ہماری مصنوعات پر اعتماد کے بھی شکر گزار ہیں۔ ہم بورڈ کی جانب سے اپنے حصص یافتگان کا مخلص ترین شکر یہ ادا کرتے ہیں۔ کہ انہوں نے ہم پر بھروسہ کیا اور ہماری غیر متزلزل حمایت جاری رکھی۔

منجانب بورڈ



عمر سعید
ڈائریکٹر



عارف سعید
چیف ایگزیکٹو

27 اپریل 2023

لاہور

ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کی سروس انڈسٹریز لمیٹڈ کی انفرادی مختصر عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے میں خوش محسوس کرتے ہیں۔

مالی کارکردگی کا موازنہ

31 مارچ 2023 کو ختم ہونے والی سہ ماہی کی سروس انڈسٹریز لمیٹڈ کی عبوری مالیاتی کارکردگی درج ذیل ہے۔

تفصیلات	سہ ماہی اختتام	
	مارچ 31، 2023 روپے، ہزار میں	مارچ 31، 2022 روپے، ہزار میں
خالص فروخت	11,352,417	8,680,033
گراس منافع	2,699,014	1,652,701
آپریٹنگ منافع	1,437,365	646,430
منافع بعد از ٹیکس	295,998	50,014
ٹی شیئر آمدنی (روپے)	6.30	1.06
		فیصد تبدیلی
		30.79%
		63.31%
		122.35%
		491.83%
		494.34%

سروس انڈسٹریز لمیٹڈ نے پہلی سہ ماہی کی فروخت میں صحت مند اضافہ حاصل کیا ہے، جو کہ 11.35 ارب روپے تک پہنچ گئی ہے۔ پچھلے سال کی اسی مدت میں فروخت 8.68 ارب روپے تھی اس طرح فروخت میں 30.79 فیصد اضافہ ہوا۔ افراط زر کے دباؤ، شرح سود میں اضافے اور معیشت کی غیر یقینی صورت حال کے باوجود آپ کی کمپنی اب بھی اپنے گراس منافع اور بعد از ٹیکس منافع میں بالترتیب 63.31% اور 491.83% اضافہ حاصل کرنے میں کامیاب رہی ہے۔

ٹائر ڈویژن

ٹائر ڈویژن سروس انڈسٹریز لمیٹڈ کی آمدنی کا ایک بڑا ذریعہ ہے۔ ٹائر ڈویژن نے اس سہ ماہی میں پچھلے سال کی اسی مدت کے مقابلے 1.29 ارب روپے یعنی 21% کا فروخت میں اضافہ حاصل کیا ہے۔ فروخت میں یہ اضافہ پیداواری استعداد میں توسیع اور قیمتوں میں اضافے کا نتیجہ ہے۔ اس شعبہ کو افراط زر، روپے کی قدر میں کمی اور شرح سود میں اضافے کی وجہ سے شدید مشکلات کا سامنا کرنا پڑا۔ ان مشکلات کے تناظر میں، انتظامیہ نے ٹائر بنانے والی صنعت میں اپنی سرکردہ حیثیت برقرار رکھنے کے لیے مناسب مواقع پر قیمتوں میں اضافہ کیا ہے۔ مزید برآں، مارکیٹ میں ہماری مستحکم موجودگی سے بھرپور فائدہ حاصل کرنے کے لیے ڈیلرشپ نیٹ ورک کو مضبوط کیا گیا ہے۔ جدید ترین کسٹم پلانٹ کی تنصیب کا کام مکمل ہو چکا ہے اور یہ پیداواری مراحل میں داخل ہو چکا ہے۔ انتظامیہ اپنی مارکیٹ پوزیشن کو برقرار رکھنے اور سروس ٹائرز کے برانڈ کی سہ ماہی سے فائدہ اٹھانے کے لیے پرعزم ہے۔ اس شعبہ نے پیداواری استعداد بڑھانے میں بہت زیادہ سرمایہ کاری کی ہے جس کے نتیجے میں موجودہ سال میں لاگت میں کمی کے ساتھ فروخت میں مزید اضافہ ہوگا۔

فٹ ویئر ڈویژن

ہمارے جو تے کی فروخت میں گزشتہ سال کی اسی مدت کے مقابلے میں 76 فیصد اضافہ ہوا ہے۔ یہ نمو فروخت کے حجم اور قیمت فروخت دونوں میں اضافے کا نتیجہ ہے۔ اس مدت کے دوران برآمدی اور مقامی فروخت کا تناسب میں کوئی تبدیلی نہیں ہوئی۔ ملک بھر میں ریشیل اسٹورز کھولنے کی وجہ سے ریشیل کاروبار مسلسل پھیل رہا ہے۔ ریشیل اسٹورز کی تعداد 31 مارچ 2022 میں 103 سے بڑھ کر 31 مارچ

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