

Report & Un-Audited Accounts
for the 3rd Quarter Ended
September 30, 2021

*Transforming
vision into reality..*



Servis

Service Industries Limited

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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

Ms. 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

Ms. 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

JS Bank Limited

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

United 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

Fax:+92-42-35710593,

35712109

Shares Registrar

M/s. Corplink (Pvt.)

Limited

Wings Arcade, 1-K

Commercial, Model

Town, Lahore

Tel: +92-42-35916714,

35916719,

35839182

Fax:+92-42-35869037

Pakistan Stock

Exchange Limited

Stock Exchange Symbol

SRVI

Factory

G.T. Road, Gujrat.

Web Presence

www.servisgroup.com

" All good things start with a dream. The dream becomes a vision. The vision becomes a plan. The plan becomes a reality ".



Directors' Report to the Shareholders

The Directors take pleasure in presenting their Report along with the unconsolidated condensed interim financial statements of Service Industries Limited ("SIL") for the nine months period ended September 30, 2021.

The COVID-19 outbreak that developed rapidly at the start of 2020 is continuing in several territories, however, its overall spread has become steady now, mainly due to mass vaccination programs undertaken globally. The pandemic had adversely impacted the international and domestic economy, now there are explicit indications of economic recovery. The management of the company had to review its strategy to deal with the aftermath of COVID19 and looked towards investing in enhancing production capacities to benefit from the improving global and local economy. Measures were also taken to ensure health and safety of our employees.

Key Performance Indicators (KPIs)

Please find below key performance indicators of unconsolidated condensed interim financial statements of SIL for the nine months period ended September 30, 2021.

Particulars	Nine Months Ended September 30		
	September 2021 "000"	September 2020 "000"	Percentage Change
Net Sales	23,723,243	16,992,448	39.61%
Gross Profit	3,724,682	3,216,745	15.79%
Net profit after tax	203,672	250,329	-18.64%

SIL recorded sales of PKR 23.72 billion in its financial statements during the nine months period showing an increase of 40% from same period last year. Net profit after tax amounted to PKR 203.67 million against profit after tax of PKR 250.33 million in the same period last year. The significant increase in sales is mainly attributable to the volumetric growth in sales of the tyre division of the company, with footwear segment also contributing its due share towards revenue accumulation. Increased raw material prices due to spike in global raw material prices and weakening Pak rupee, increase in energy cost and high logistic costs resulted in reduced profitability of the company.

Tyre Division

The Tyre Division, our biggest revenue contributor, has shown a top line growth of almost PKR 5.83 billion i.e., 45.41% in the nine months under review against the same period last year. This growth in revenue stream was the result of teamwork, consistent product quality, efficient supply chain management and innovation.

A spike in the raw material prices and logistics costs posed a threat to our budgeted production targets. However, despite these challenges, our management team is determined to maintain its market position and capitalize on the brand image of Servis Tyres.

The agricultural tyre production facility went online in 2020. Our products have been extremely well received in the market. The management team is working on nationwide marketing activities, awareness campaigns, regional dealer meetings and strengthening market leadership through further capacity enhancement and restructuring of marketing channels. The management has invested in capacity enhancement in this period which will result in increased sales in the next year with lower operational cost.

Footwear Division

Our footwear sales showed a healthy increase of 24% in the nine months period as compared to the same period last year. The profitability of domestic footwear business which is now the main contributor of footwear sales segment continued to face tough challenges as the retail market in the country remained under stress. During this challenging period, more institutional footwear business was booked by the company to utilize available capacities, albeit at lower margins.

Despite these challenges, year 2021 has been a year of expansion for our retail business and we have now 80+ stores across the country. This aggressive expansion is based on the reforms that were made last year, which resulted in gross margin improvement through price point coverage and discount management, better inventory planning and a more balanced product portfolio.

Technical Rubber Products

Our Corporate sales division under the umbrella of Technical Rubber Products (TRP) was not affected by the pandemic as such because of its nature. In the nine months period under review, the net sales of TRP were recorded as PKR 259.57 million as compared to PKR 266.91 million in the same period last year. The division also achieved good profitability during the period under review.

Earning Per Share (EPS)

The earnings per share of the Company stood at PKR 4.33 for the nine months period under review as compared to PKR 5.33 compared to same period last year.

Future Outlook Amid Covid-19

We are hopeful that the company's decision to invest in enhancing production capacities during the current year and increasing topline will help the company to deliver excellent profits in the coming year. Moreover, the strength of our Brands coupled with the talent and capability that we bring to the market makes the Company well positioned to continue as a leader in both Footwear and Tyre business.

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



Chaudhry Ahmed Javed
Chairman



Arif Saeed
Chief Executive

Dated: October 28, 2021
LAHORE.

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Unconsolidated Condensed Interim Statement of Financial Position (Unaudited)

As at September 30, 2021

	(Unaudited) September 30, 2021	(Audited) December 31, 2020
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
100,000,000 (2020: 100,000,000)		
ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid up share capital	469,874	234,937
Reserves	6,724,843	7,047,655
Total equity	7,194,717	7,282,592
LIABILITIES		
Non-current liabilities		
Long term financing	6,111,783	3,084,863
Long term deposits	1,440	1,740
Lease liabilities	2,443,016	1,752,383
Employees' retirement benefit	167,419	154,077
Deferred liabilities	126,187	346,572
	8,849,845	5,339,635
Current liabilities		
Trade and other payables	5,215,951	3,853,305
Accrued mark-up	255,248	105,037
Short term borrowings	7,183,235	6,427,467
Current portion of non-current liabilities	1,569,887	1,405,285
Unclaimed dividend	39,629	37,897
	14,263,950	11,828,991
Total liabilities	23,113,795	17,168,626
Contingencies and commitments	4	
TOTAL EQUITY AND LIABILITIES	30,308,512	24,451,218

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



Arif Saeed
(Chief Executive)

		(Unaudited) September 30, 2021	(Audited) December 31, 2020
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	5	7,196,868	5,996,063
Right-of-use assets		2,270,603	1,618,879
Intangible assets		280	1,271
Long term investments	6	6,393,620	5,242,711
Long term loans to employees		23,199	8,857
Long term security deposits		117,818	109,643
		16,002,388	12,977,424
Current assets			
Stores, spares and loose tools		265,274	232,316
Stock-in-trade		7,325,788	4,877,842
Trade debts		4,045,289	3,938,337
Loans and advances		1,073,202	433,755
Trade deposits and prepayments		446,585	234,864
Other receivables		722,113	555,622
Cash and bank balances		427,873	1,201,058
		14,306,124	11,473,794
Total Assets		30,308,512	24,451,218



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Unconsolidated Condensed Interim Statement of Profit or Loss (Unaudited)

For the nine months ended September 30, 2021

	Note	(Unaudited)		(Unaudited)	
		Nine Months Ended		Three Months Ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
(Rupees in thousand)					
Sales - Net		23,723,243	16,992,448	8,605,707	7,603,393
Cost of Sales	7	(19,998,561)	(13,775,703)	(7,344,514)	(6,218,753)
Gross Profit		3,724,682	3,216,745	1,261,193	1,384,640
Distribution Cost		(1,616,897)	(1,080,002)	(568,502)	(410,267)
Administrative Expenses		(936,759)	(723,866)	(309,587)	(278,199)
Other Expenses		(157,617)	(131,782)	(36,548)	(65,634)
		(2,711,273)	(1,935,650)	(914,637)	(754,100)
		1,013,409	1,281,095	346,556	630,540
Other Income		171,732	72,974	13,696	25,589
Profit from Operations		1,185,141	1,354,069	360,252	656,129
Finance Cost		(919,766)	(857,342)	(340,235)	(200,620)
		265,375	496,727	20,017	455,509

Share Of Profit / (loss) In Equity

Accounted Investee - Net of Taxation	15,645	(9,295)	11,584	5,484
Profit Before Taxation	281,020	487,432	31,601	460,993
Taxation	(77,348)	(237,103)	(18,957)	(143,174)
Profit After Taxation	203,672	250,329	12,644	317,819

Earnings Per Share -

Basic and Diluted (Rupees)	4.33	5.33	0.27	6.76
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The annexed notes form an integral part of these unconsolidated condensed interim financial statements.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months ended September 30, 2021

	(Unaudited)		(Unaudited)	
	Nine Months Ended		Three Months Ended	
	September	September	September	September
	30, 2021	30, 2020	30, 2021	30, 2020
	(Rupees in thousand)			
Profit after taxation	203,672	250,329	12,644	317,819
Other Comprehensive Income				
Items that will not be reclassified to profit or loss:				
Surplus arising on remeasurement of investment at fair value through other comprehensive income - net of tax	60,859	27,610	804	23,920
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the nine months ended - net of tax	60,859	27,610	804	23,920
Total Comprehensive Income for the nine months for the ended 30 September 2021	264,531	277,939	13,448	341,739

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months ended September 30, 2021

	RESERVES										Total Equity	
	Share Capital	Capital Reserves					Revenue Reserves					Total
		Capital gains	Fair value reserve FYODI investment	Share premium	Share of reserve held by equity accounted investee	Reserve pursuant to the Scheme	Sub Total	General reserve	Un-appropriated profit	Sub total		
Balance as at 31 December 2019 - audited	187,950	102,730	2,500	21,217	23,935	-	150,382	1,558,208	3,844,668	5,402,876	5,553,258	5,741,208
Transactions with owners:												
Final dividend for the year ended 31 December 2019 @ Rupees 7.50 per share	-	-	-	-	-	-	-	-	(140,963)	(140,963)	(140,963)	(140,963)
Issue of bonus shares for the year ended 31 December 2019 @ 2.5%	46,987	-	-	-	-	-	-	-	(46,987)	(46,987)	(46,987)	-
Adjustment arising on transfer of net assets to Service Global Footwear Limited - subsidiary company pursuant to the Scheme of Compromises, Arrangement and Reconstruction (under section 279 to 283 and 285 of the Companies Act, 2017) between Service Industries Limited and its members and Service Global Footwear Limited and its member ("the Scheme")	46,987	-	-	-	-	-	-	-	(187,950)	(187,950)	(187,950)	(140,963)
Profit for the nine months ended 30 September 2020	-	-	-	-	-	927,163	927,163	-	-	-	927,163	927,163
Other comprehensive income for the nine months ended 30 September 2020	-	-	-	-	-	-	-	-	250,329	250,329	250,329	250,329
Total comprehensive income for the nine months ended 30 September 2020	-	-	27,610	-	-	-	27,610	-	-	-	27,610	27,610
Balance as at 30 September 2020 - unaudited	234,937	102,730	30,110	21,217	23,935	927,163	1,105,155	1,558,208	3,907,047	5,465,255	6,570,410	6,805,347

Rupees in thousand

Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months ended September 30, 2021

	RESERVES										Total Equity	
	Share Capital	Capital Reserves			Reserve pursuant to the Scheme	Sub Total	Revenue Reserves			Total		
		Fair value reserve FVTOCI investment	Share premium	Share of equity accounted investee			General reserve	Un-appropriated profit	Sub total			
Profit for the quarter ended 31 December 2020	-	-	-	-	-	-	-	-	-	439,695	439,695	439,695
Other comprehensive income / (loss) for the quarter ended 31 December 2020	-	-	-	-	-	-	-	-	-	(1,700)	(1,700)	37,550
Total comprehensive income for the quarter ended 31 December 2020	-	-	-	-	-	-	-	-	-	437,995	437,995	477,245
Balance as at 31 December 2020 - audited	234,937	102,730	69,360	21,217	23,935	927,163	1,144,405	1,558,208	4,345,042	5,903,250	7,047,655	7,282,592
Transactions with owners: Final dividend for the year ended 31 December 2020 @ Rupees 15 per share	-	-	-	-	-	-	-	-	-	-	-	-
Issue of bonus shares for the year ended 31 December 2020 @ 100%	234,937	-	-	-	-	-	-	-	-	(234,937)	(234,937)	-
	234,937	-	-	-	-	-	-	-	-	(587,343)	(587,343)	(352,406)
Transfer of gain on disposal of FVTOCI investment to retained earnings	-	-	(35,539)	-	-	-	(35,539)	-	35,539	-	-	-
Profit for the nine months ended 30 September 2021	-	-	-	-	-	-	-	-	-	203,672	203,672	203,672
Other comprehensive income for the nine months ended 30 September 2021	-	-	-	-	-	-	-	-	-	-	-	60,859
Total comprehensive income for the nine months ended 30 September 2021	-	-	-	-	-	-	-	-	-	203,672	203,672	264,531
Balance as at 30 September 2021 - unaudited	469,874	102,730	94,680	21,217	23,935	927,163	1,169,725	1,558,208	3,996,910	5,555,118	6,724,843	7,194,717

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



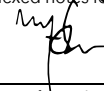
Badar Ul Hassan
(Chief Financial Officer)

Unconsolidated Condensed Interim Statement of Cash Flows (Unaudited)

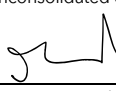
For the nine months ended September 30, 2021

	Un-Audited	
	September 30, 2021	September 30, 2020
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	281,020	481,432
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	487,448	481,607
Depreciation on right to use assets	194,896	177,418
Provision for gratuity	29,770	26,146
Finance cost	919,766	857,342
Provision for workers' profit participation fund	7,967	23,575
Provision for workers' welfare fund	5,898	10,429
(Reversal) / Provision for slow moving and obsolete inventory	(7,594)	2,623
Allowance for expected credit losses	40,111	53,632
Share of (profit) / loss in equity accounted investee	(15,645)	9,295
Operating profit before working capital changes	1,943,637	2,129,499
Working capital changes		
Increase in current assets:		
Stores, spares and loose tools	(32,958)	108,337
Stock-in-trade	(2,440,352)	32,700
Trade debts	(147,063)	(1,137,650)
Loans, advances, trade deposits, prepayments and other receivables	(878,579)	(66,674)
	(3,498,952)	(1,063,287)
Increase in trade and other payables	1,348,781	1,236,737
	(2,150,171)	173,450
Cash (used in) / generated from operations	(206,534)	2,302,949
Finance cost paid	(686,003)	(1,004,929)
Income tax paid	(212,196)	(211,502)
Employees' retirement benefits paid	(16,428)	(11,403)
Long term loans - net	(18,574)	596
Long term deposits - net	(8,175)	1,750
Net cash (used in) / generated from operating activities	(1,147,910)	1,077,461
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(1,687,262)	(402,737)
Long term investments - net	(1,307,171)	(850,000)
Net cash used in investing activities	(2,994,433)	(1,252,737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	573,802	680,713
Short term borrowings - net	3,255,768	634,545
Repayment of lease liabilities	(109,438)	(72,805)
Dividend paid	(350,674)	(141,444)
Long term deposits - net	(300)	(466)
Net cash from financing activities	3,369,158	1,100,543
Net (decrease)/increase in cash and cash equivalents	(773,185)	925,267
Cash and cash equivalents at the beginning of the period	1,201,058	38,503
Cash and cash equivalents at the end of the period	427,873	963,770

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2021

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 unconsolidated condensed interim financial statements pertain to Service Industries Limited as an individual entity.

2. Basis of Preparation

2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise 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 unconsolidated condensed 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 31 December 2020. These unconsolidated condensed interim financial statements are un-audited.

3. Accounting Policies

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed 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 31 December 2020.

3.1 Critical Accounting Estimates and Judgments

The preparation of these unconsolidated condensed 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.

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

For the nine months ended September 30, 2021

During preparation of these unconsolidated condensed 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 31 December 2020.

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 31 December 2020.

4.2 Commitments

4.2.1 Guarantees issued in ordinary course of business through banks are of Rupees 2,884.387 million (31 December 2020: Rupees 958.318 million).

4.2.2 Contracts for capital expenditure are approximately of Rupees 1,781.520 million (31 December 2020: Rupees 1,298.090 million).

4.2.3 Letters of credit other than capital expenditure are of Rupees 2,791.325 million (31 December 2020: Rupees 2,589.699 million).

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

		(Unaudited) September 30, 2021	(Audited) December 31, 2020
		(Rupees in thousand)	
Not later than one year		58,529	57,495
Later than one year and not later than five years		85,454	100,411
		143,983	157,906
5 Fixed Assets			
Operating fixed assets	(Note 5.1)	6,513,113	5,842,520
Capital work-in-progress		683,755	153,543
		7,196,868	5,996,063
5.1 Operating fixed assets			
Opening written down value		5,842,520	5,969,030
Add: Additions during the period	(Note 5.2)	1,161,864	547,739
		7,004,384	6,516,769
Less: Disposals during the period (at book value)	(Note 5.2)	(4,814)	(21,740)
		6,999,570	6,495,029
Less: Depreciation charged during the period		(486,457)	(652,509)
		6,513,113	5,842,520

5.2 Following is the detail of additions and disposals during the period:

	Additions		Disposals - NBV	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	(Rupees in thousand)			
Building on freehold land	35,917	36,605	-	-
Plant and machinery	839,785	334,079	1,224	1,606
Furniture, fixture and fittings	23,173	3,182	-	472
Vehicles	6,173	41,090	1,225	3,447
Service equipments	104,728	70,886	2,214	875
Leasehold improvements	152,088	61,897	151	15,340
	1,161,864	547,739	4,814	21,740
			(Unaudited) September 30, 2021	(Audited) December 31, 2020
			(Rupees in thousand)	
6 Long term investments				
Investment in subsidiary companies - at cost	(Note 6.1)		5,971,597	4,870,217
Investment in associate (with significant influence) - under equity method	(Note 6.2)		296,489	280,844
Investment in joint ventures - at cost	(Note 6.3)		240	240
Other investment - at FVTOCI	(Note 6.4)		125,294	91,410
			6,393,620	5,242,711
6.1 Investments in subsidiary companies - at cost				
Service Industries Capital (Private) Limited				
30,000,000 (2020: 30,000,000) fully paid ordinary shares of Rupees 10 each			300,000	300,000
Equity held 80% (2020:100%)				
Service Global Footwear Limited				
163,550,000 (2020: 163,550,000) fully paid ordinary shares of Rupees 10 each			3,026,184	3,026,184
Equity held 80% (2020:100%)				
Service Long March Tyres (Private) Limited				
263,138,000 (2020: 153,000,000) fully paid ordinary shares of Rupees 10 each			2,645,413	1,544,033
Equity held 32.09% (2020: 51%)			5,971,597	4,870,217

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

For the nine months ended September 30, 2021

(Unaudited) (Audited)
September December
30, 2021 31, 2020
(Rupees in thousand)

6.2 Investment in associate (with significant influence) -under equity method

Speed (Private) Limited

160,709 (2020: 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 year

89,895 138,005

Adjustment due to adoption of IFRS 16

- (35,641)

Share of post acquisition profit for the period

15,645 (12,469)

105,540 89,895

296,489 280,844

6.3 Investment in joint ventures - at cost

S2 Power Limited

24,000 (2020: 24,000) fully paid
ordinary shares of Rupees 10 each

240 240

S2 Hydro Limited

24,000 (2020: 24,000) fully paid
ordinary shares of Rupees 10 each

240 240

480 480

Impairment loss recognized against
investment in S2 Power Limited

(240) (240)

240 240

6.4 Other investment - at FVTOCI

TRG Pakistan Limited

775,000 (2020: 1,000,000) fully paid
ordinary shares of Rupees 10 each

17,089 22,050

Fair value adjustment

108,205 69,360

125,294 91,410

	Unaudited Nine Months Ended		Unaudited Three months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
(Rupees in thousand)				
7 Cost of sales				
Raw materials consumed (Note 7.1)	13,884,669	8,994,674	5,156,703	3,977,891
Salaries, wages and other benefits	1,973,553	1,618,096	694,138	581,501
Stores and spares consumed	247,176	174,120	98,981	65,399
Packing materials consumed	516,626	325,851	184,607	134,860
Fuel and power	1,098,455	642,993	440,042	278,634
Insurance	20,235	17,805	7,070	6,667
Travelling and conveyance	8,622	5,965	5,953	3,808
Repair and maintenance	158,571	126,895	53,605	48,226
Entertainment	2,491	1,107	1,463	568
Depreciation	422,212	421,395	162,412	137,619
(Reversal of provision) / provision for slow moving and obsolete inventory	(7,594)	2,623	9,596	5,712
Other manufacturing charges	68,878	54,347	25,742	7,521
	18,393,894	12,385,871	6,840,312	5,248,406
Work in process:				
Opening stock	426,949	225,852	974,108	463,237
Less: Closing stock	(860,525)	(475,787)	(860,525)	(475,787)
	(433,576)	(249,935)	113,583	(12,550)
Cost of goods manufactured	17,960,318	12,135,936	6,953,895	5,235,856
Finished goods				
Opening stock	2,453,109	2,413,252	2,714,923	2,593,324
Add: Purchases during the period	2,835,533	1,307,474	926,095	470,532
Less: Closing stock	(3,250,399)	(2,080,959)	(3,250,399)	(2,080,959)
	2,038,243	1,639,767	390,619	982,897
	19,998,561	13,775,703	7,344,514	6,218,753
7.1 Raw materials consumed				
Opening stock	1,994,118	1,182,782	2,382,462	1,540,931
Add: Purchases during the period	15,055,557	9,069,363	5,939,247	3,694,431
Less: Closing stock	(3,165,006)	(1,257,471)	(3,165,006)	(1,257,471)
	13,884,669	8,994,674	5,156,703	3,977,891

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

For the nine months ended September 30, 2021

8. 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.

Technical Rubber Products: Manufacturing of different qualities of rubber products on specifications.

(Rupees in thousand)

	Footwear		Tyre		Technical Rubber Products		Total - Company	
	Period ended	Sep 30, 2020	Period ended	Sep 30, 2020	Period ended	Sep 30, 2020	Period ended	Sep 30, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
Sales	4,807,274	3,895,759	18,656,397	12,829,784	259,572	266,905	23,723,243	16,992,448
Profit / (loss) before taxation and unallocated income and expenses	(155,794)	15,837	1,613,310	1,605,953	65,486	64,959	1,523,002	1,686,749
Unallocated income and expenses							(1,241,982)	(1,199,317)
Taxation							(77,348)	(237,103)
Profit after taxation							203,672	250,329

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

For the nine months ended September 30, 2021

8.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Technical Rubber Products		Total - Company	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	Sep 30, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020
Total assets for reportable segment	7,875,497	6,994,264	13,390,969	10,080,999	334,716	281,408	21,601,182	17,356,671
Unallocated assets							8,707,330	7,094,547
Total assets as per unconsolidated condensed interim statement of financial position							30,308,512	24,451,218
Unallocated liabilities							23,113,795	17,168,626
Total liabilities as per unconsolidated condensed interim statement of financial position							23,113,795	17,168,626

(Rupees in thousand)

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

For the nine months ended September 30, 2021

9 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 30 September 2021 (Unaudited)	----- Rupees in thousand -----			Total
	Level 1	Level 2	Level 3	
Financial assets				
Financial assets at fair value through other comprehensive income	125,294	-	-	125,294
Total financial assets	125,294	-	-	125,294
----- Rupees in thousand -----				
Recurring fair value measurements At 31 December 2020 (Audited)	----- Rupees in thousand -----			Total
	Level 1	Level 2	Level 3	
Financial assets				
Financial assets at fair value through other comprehensive income	91,410	-	-	91,410
Total financial assets	91,410	-	-	91,410

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

For the nine months ended September 30, 2021

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.

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 level 1 fair values**

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

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

For the nine months ended September 30, 2021

10 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 Nine Months Ended		Unaudited Three Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
(Rupees in thousand)				
(i) Transactions:				
Subsidiary Companies				
Investment made	1,101,380	850,000	336,380	-
Increase in short term loan obtained	1,788,000	742,293	100,000	551,876
Interest on loan	220,763	170,756	65,750	45,354
Sale of goods	95,056	110,661	38,865	110,661
Purchase of goods	70,078	75,379	15,022	19,557
Loan repaid	1,217,300	-	27,000	-
Expenses charged	137,994	-	60,811	-
Services rendered	39,756	-	17,912	-
Associated Companies				
Sale of goods	23,552	-	5,730	-
Bonus Shares issued	-	40	-	40
Cash Dividend paid	-	119	-	119
Donations paid	37,318	26,701	10,773	11,437
Key management personnel - Directors & their spouses				
Cash dividend paid	157,791	63,119	-	63,119
Bonus shares issued	105,194	21,040	-	21,040
Remuneration	162,406	109,976	35,893	45,967
Meeting fee to directors non executive	1,942	1,620	834	780
Other related parties				
Employees' retirement benefits	113,670	90,687	39,429	22,878
Bonus Shares	-	2,227	-	2,227
Cash Dividend	-	6,680	-	6,680

(ii) Period end balances

As at 30 September 2021 (Un-audited)		
Subsidiary companies	Other related parties	Total
(Rupees in thousand)		
Employee benefit plans	193,042	193,042
Loans and advances	11,476	11,476
Trade debts	77,935	113,235
Short term loan payable	984,991	984,991
Long Term loan	2,500,000	2,500,000
Trade and other payables	87,841	87,841
Accrued mark-up	79,272	79,272

As at 31 December 2020 (Audited)		
Subsidiary companies	Other related parties	Total
(Rupees in thousand)		
Employee benefit plans	-	176,114
Loans and advances	-	11,476
Trade debts	129,977	189,598
Other Receivables	737	737
Short term loan payable	2,914,291	2,914,291
Trade and other payables	71,542	71,542
Accrued mark-up	65,229	65,229

11 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 statements 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, 2020.

12 Date of authorization for issue

These financial statements were authorized for issue on October 28, 2021 by the Board of Directors of the Company.

13 Corresponding figures

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim statement of financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim statement of

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

For the nine months ended September 30, 2021

profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the amounts of comparable period of immediately preceding financial year.

14 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

Group Director's Report To The Shareholders

The Directors take pleasure in presenting their Report along with the Consolidated Condensed Interim Financial Statements of the Service Industries Limited and its subsidiaries for nine months ended September 30, 2021.

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 and Service Shoes Lanka (Private) Limited, a partially owned subsidiary company of Service Industries Capital (Private) Limited.

Service Industries Limited

The Director Report providing a commentary on the performance of Service Industries Limited for nine months ended September 30, 2021 has been presented separately. Service Industries Limited has annexed its Condensed Consolidated Interim Financial Statements along with its Separate Condensed 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 July 19, 2019 in Pakistan under the Companies Act, 2017 and was listed on Pakistan Stock Exchange on April 28, 2021. The principal activities of the Company are manufacturing, sale, marketing, import and export of footwear, leather and allied products. The shareholding of Service Industries Limited in Service Global Footwear Limited is 80%. Service Global Footwear Limited holds 18.91% shareholding in Service Long March Tyres (Private) Limited.

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%.

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.

For and on Behalf of the Board



Chaudhry Ahmed Javed
Chairman



Arif Saeed
Chief Executive

Dated: October 28, 2021
LAHORE.

Condensed Consolidated Interim Statement of Financial Position (Unaudited)

As at 30 September 2021

	(Unaudited) September 30, 2021	(Audited) December 31, 2020
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
100,000,000 (2020: 100,000,000) ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid-up share capital	469,874	234,937
Reserves	8,049,690	8,152,588
Non-controlling interest	6,115,526	1,451,499
Total equity	14,635,090	9,839,024
LIABILITIES		
Non-current liabilities		
Long term financing	10,689,361	3,478,292
Long term deposits	1,440	1,740
Lease liabilities	2,443,016	1,752,383
Employees' retirement benefit	283,233	259,994
Deferred liabilities	1,702,280	363,958
	15,119,330	5,856,367
Current liabilities		
Trade and other payables	7,619,491	5,218,389
Accrued mark-up	235,909	65,119
Short term borrowings	10,009,180	7,868,831
Current portion of non-current liabilities	2,049,665	1,541,612
Unclaimed dividend	39,629	37,897
	19,953,874	14,731,848
Total liabilities	35,073,204	20,588,215
Contingencies and commitments	5	
TOTAL EQUITY AND LIABILITIES	49,708,294	30,427,239

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



Arif Saeed
(Chief Executive)

		(Unaudited) September 30, 2021	(Audited) December 31, 2020
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	6	23,576,760	9,566,926
Right-of-use assets		2,270,603	1,618,879
Intangible assets		38,967	39,507
Long term investments	7	615,033	557,757
Long term loans to employees		35,300	16,437
Long term security deposits		131,083	115,345
		26,667,746	11,914,851
Current assets			
Stores, spares and loose tools		315,493	276,788
Stock-in-trade		9,079,590	6,335,260
Trade debts		4,977,876	4,633,123
Loans and advances		1,441,163	892,136
Trade deposits and prepayments		484,757	244,507
Other receivables		2,209,291	1,929,603
Accrued interest		18,528	5,406
Cash and bank balances		4,513,850	4,195,565
		23,040,548	18,512,388
Total Assets		49,708,294	30,427,239



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Consolidated Interim Statement of Profit or Loss (Unaudited)

For the nine months ended September 30, 2021

	Note	(Unaudited)		(Unaudited)	
		Nine Months Ended		Three Months Ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
(Rupees in thousand)					
Sales - net		28,883,853	22,215,184	10,789,026	9,513,807
Cost of Sales	8	(24,273,556)	(17,985,764)	(9,195,497)	(7,709,657)
Gross Profit		4,610,297	4,229,420	1,593,529	1,804,150
Distribution Cost		(2,027,968)	(1,435,689)	(732,458)	(469,993)
Administrative Expenses		(1,297,980)	(1,027,182)	(430,726)	(392,851)
Other Expenses		(213,750)	(170,850)	(79,043)	(88,555)
		(3,539,698)	(2,633,721)	(1,242,227)	(951,399)
		1,070,599	1,595,699	351,302	852,751
Other Income		471,754	331,575	197,731	106,638
Profit from Operations		1,542,353	1,927,274	549,033	959,389
Finance Cost		(848,416)	(792,977)	(317,030)	(189,767)
		693,937	1,134,297	232,003	769,622
Share of (Loss) / Profit in Equity					
Accounted Investee - Net of Taxation		(16,608)	(15,267)	61	9,007
Profit Before Taxation		677,329	1,119,030	232,064	778,629
Taxation		(224,830)	(299,386)	(71,517)	(164,907)
Profit After Taxation		452,499	819,644	160,547	613,722
Share of profit attributable to:					
Equity holders of the holding company		427,270	820,349	134,636	612,544
Non-controlling interest		25,229	(705)	25,911	1,178
		452,499	819,644	160,547	613,722
Earnings Per Share -					
Basic and Diluted (Rupees)		9.63	17.44	3.42	13.06

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 nine months ended September 30, 2021

	(Unaudited)		(Unaudited)	
	Nine Months Ended September 30, 2021	September 30, 2020	Three Months Ended September 30, 2021	September 30, 2020
Profit after taxation	452,499	819,644	160,547	613,722
Other Comprehensive Income / (loss)				
Items that will not be reclassified to profit or loss:				
Surplus arising on remeasurement of investment at fair value through other comprehensive income - net of tax	60,859	27,610	804	23,920
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign subsidiary	(6,892)	(6,282)	(14,625)	9,791
Remeasurements of employees retirement benefit obligation - net of tax	-	(7,062)	-	(7,062)
Exchange difference on translation of goodwill	451	2,494	2,905	(446)
	(6,441)	(10,850)	(11,720)	2,283
Other comprehensive income / (loss) for the period - net of tax	54,418	16,760	(10,916)	26,203
Total Comprehensive Income for the Period	506,917	836,404	149,631	639,925
Share of total comprehensive income attributable to:				
Equity holders of the holding company	484,445	839,622	129,570	586,317
Non-controlling interest	22,472	(3,218)	20,061	(4,925)
	506,917	836,404	149,631	581,392

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 nine months ended September 30, 2021

	Attributable to the equity holders of the holding company											Non-controlling interest	Total Equity			
	Share Capital	Capital Reserves					Revenue Reserves							Shareholders Equity		
		Fair value reserve FVOCI investment	Share premium	Share held by equity accounted investee	Exchange transaction reserve	Reserve pursuant to the Scheme	Sub Total	General reserve	Un-appropriated profit	Sub total	Total Reserves					
															Share Capital	Capital gains
187,950	102,730	2,500	21,217	44,395	4,501	-	175,343	1,558,208	4,294,131	5,852,339	6,027,682	6,215,632	(31,693)	6,183,939		
Balance as at 31 December 2019 - audited																
Transactions with owners:																
Equity share of NCI in Service Long March Tyres (Private) Limited																
Final dividend for the year ended 31 December 2019 @ Rupees 7.50 per share																
Issue of bonus shares during the year ended 31 December 2019 @ 25%	46,987															
	46,987															735,917
Profit / (loss) for the nine months ended 30 September 2020																
Other comprehensive income / (loss) for the nine months ended 30 September 2020																
Total comprehensive income / (loss) for the nine months ended 30 September 2020																
			27,610					(1,275)								
			27,610					(1,275)								
Balance as at 30 September 2020 - unaudited	234,937	102,730	30,110	21,217	44,395	3,226	201,678	1,558,208	4,919,468	6,477,676	6,679,354	6,914,291	839,622	(3,218)	701,006	7,615,297
Transactions with owners:																
Reserve arising pursuant to the Scheme of Compromises, Arrangement and Reconstruction between the Holding Company and its members and Service Global Footwear Limited - subsidiary company and its members (the Scheme)																
Non-controlling interest on investment in subsidiary company																
Profit for the quarter ended 31 December 2020																
Other comprehensive income for the quarter ended 31 December 2020																
Total comprehensive income for the quarter months ended 31 December 2020			39,250			1,645	40,895									
			39,250			1,645	40,895									
Balance as at 31 December 2020 - audited	234,937	102,730	69,360	21,217	44,395	4,871	927,163	1,169,736	1,558,208	5,424,644	6,982,852	8,152,588	8,387,525	1,451,499	9,839,024	551,403

Rupees in thousand

Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)

For the nine months ended September 30, 2021

	Attributable to the equity holders of the holding company											Shareholders Equity	Non-controlling interest	Total Equity				
	Capital Reserves			Revenue Reserves			Total Reserves		Share	Sub Total	Total Reserves							
	Share Capital	Capital gains	Fair value reserve FVTOCI investment	Share premium	Share accounted investee	Exchange translation reserve	Reserve pursuant to the Scheme	General reserve							Un-appropriated profit	Sub total		
																	Share	Sub Total
Transactions with owners:																		
Non-controlling interest on investment in subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,627,269	4,627,269
Final dividend for the year ended 31 December 2020 @ Rupees 15 per share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(352,406)
Issue of bonus shares @ 100% for the year ended 31 December 2020	234,937	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(234,937)
Employee share option reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(587,343)
Transfer of gain on disposal of FVTOCI investment to retained earnings	-	-	(35,539)	-	-	-	(35,539)	-	-	-	-	-	-	-	-	-	-	(35,539)
Profit for the nine months ended 30 September 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(352,406)
Other comprehensive income / (loss) for the nine months ended 30 September 2021	-	-	60,859	-	-	(3,684)	-	-	-	-	-	-	-	-	-	-	-	(234,937)
Total comprehensive income for the nine months ended 30 September 2021	-	-	60,859	-	-	(3,684)	-	-	-	-	-	-	-	-	-	-	-	(587,343)
Balance as at 30 September 2021 - unaudited	469,874	102,730	94,680	21,217	44,395	1,187	927,163	1,191,372	1,558,208	5,300,110	6,858,318	8,049,690	8,519,564	6,115,526	14,286	-	-	(352,406)


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


Condensed Consolidated Interim Statement of Cash Flows (Unaudited)

For the nine months ended September 30, 2021

	(Unaudited)	
	September 30, 2021	September 30, 2020
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	677,329	1,119,030
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	817,985	758,547
Provision for gratuity	46,136	33,007
Finance cost	848,416	792,977
Provision for workers' profit participation fund	16,982	47,348
Interest on workers' profit participation fund	8,737	-
Provision for workers' welfare fund	6,357	23,242
(Reversal of provision) / Provision for slow moving and obsolete inventory	(8,134)	4,577
Allowance for expected credit losses	44,411	51,557
Employee share option expense	14,286	-
Interest on loan to associate	(2,318)	-
Share of loss in equity accounted investee	16,608	15,267
Operating profit before working capital changes	2,486,795	2,845,552
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(38,705)	107,709
Stock-in-trade	(2,736,196)	331,929
Trade debts	(268,840)	(1,469,582)
Accrued interest	-	(1,614)
Loans, advances, trade deposits, prepayments and other receivables	(698,698)	(268,021)
	(3,742,439)	(1,299,579)
Increase in trade and other payables	1,940,377	1,325,815
	(1,802,062)	26,236
Cash generated from operations	684,733	2,871,788
Finance cost paid	(629,760)	(813,786)
Income tax paid	(277,215)	(241,045)
Employees' retirement benefits paid	(18,980)	(17,043)
Long term loans - net	(26,597)	4,618
Long term deposits - net	(15,738)	2,067
Net cash (used in) / generated from operating activities	(283,557)	1,806,599
Cash flow from investing activities		
Capital expenditure on operating fixed assets	(14,596,345)	(1,493,222)
Long term investment made	(205,791)	-
Investment in associated company	(40,000)	(40,000)
Net cash used in investing activities	(14,842,136)	(1,533,222)
Cash flow from financing activities		
Long term financing - net	9,156,055	887,489
Short term borrowings - net	2,127,958	126,503
Repayment of lease liabilities	(109,438)	(72,805)
Proceeds from NCI of subsidiary company - Service Global Footwear Limited	2,078,149	-
Proceeds from NCI of subsidiary company - Service Long March (Private) Limited	2,549,120	735,917
Dividend paid	(350,674)	(141,444)
Long term deposits - net	(300)	(466)
Net cash generated from financing activities	15,450,870	1,535,194
Effects of exchange rate changes on cash and cash equivalents	(6,892)	(5,605)
Net increase in cash and cash equivalents	318,285	1,802,966
Cash and cash equivalents at the beginning of the period	4,195,565	103,548
Cash and cash equivalents at the end of the period	4,513,850	1,906,514

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 nine months ended September 30, 2021

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

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% (2020:Nil).

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% (2020: 40%).

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

For the nine months ended September 30, 2021

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% (2020: 49%).

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 consolidated 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

3.1.1 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 31 December 2020.

3.1.2 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.

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

For the nine months ended September 30, 2021

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, 2020.

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 31 December 2020 except for the following:

Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 1651.294 million (31 December 2020 Rupees 1,686.555 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.

5.2 Commitments

- 5.2.1 Guarantees issued in ordinary course of business through banks are of Rupees 3,403.826 million (2020: Rupees 958.318 million).
- 5.2.2 Contracts for capital expenditure are approximately of Rupees 5,711.160 million (2020: Rupees 12,396.763 million).
- 5.2.3 Letters of credit other than capital expenditure are of Rupees 3,036.011 million (2020: Rupees 2,786.092 million).
- 5.2.4 The Group has obtained vehicles under ijarah arrangements from Meezan Bank Limited, Allied Bank Limited and Bank Al Habib Limited for a period of five years. Future Ujarah payments under Ijarah are as follows:

	(Unaudited) September 30, 2021	(Audited) December 31, 2020
	(Rupees in thousand)	
Not later than one year	64,473	65,435
Later than one year and not later than five years	89,577	106,257
	154,050	171,692
6 Fixed Assets		
Operating fixed assets	(Note 6.1) 9,513,677	8,708,099
Capital work-in-progress	14,063,082	858,827
	23,576,760	9,566,926

	(Unaudited) September 30, 2021	(Audited) December 31, 2020
	(Rupees in thousand)	
6.1 Operating fixed assets		
Opening net book value	8,708,099	7,016,077
Add: Additions during the period / year (Note 6.2)	1,443,072	1,593,913
	<u>10,151,171</u>	<u>8,609,990</u>
Less: Disposals during the period / year (at book value) (Note 6.2)	(4,886)	(25,859)
	<u>10,146,285</u>	<u>8,584,131</u>
Currency retranslation	451	704
Completion date adjustment under the Scheme	-	927,163
	<u>10,146,736</u>	<u>9,511,998</u>
Less: Depreciation charged during the period / year	(633,059)	(803,899)
	<u>9,513,677</u>	<u>8,708,099</u>

6.2 Following is the detail of additions and disposals during the period / year.

	Additions		Disposals - NBV	
	Unaudited September 30, 2021	Audited December 31, 2020	Unaudited September 30, 2021	Audited December 31, 2020
	(Rupees in thousand)			
Land	-	135,661	-	-
Leasehold land	950	789,114	-	-
Building on freehold land	191,490	71,383	-	-
Plant and machinery	855,429	379,913	1,224	1,975
Furniture, fixture and fittings	25,400	7,401	-	472
Vehicles	28,753	49,929	1,225	6,545
Service equipments	188,962	98,615	2,286	1,527
Leasehold improvements	152,088	61,897	151	15,340
	<u>1,443,072</u>	<u>1,593,913</u>	<u>4,886</u>	<u>25,859</u>

	(Unaudited) September 30, 2021	(Audited) December 31, 2020
	(Rupees in thousand)	

7 Long term investments

Investment in associate (with significant influence)		
- under equity method (Note 7.1)	489,499	466,107
Investment in joint ventures - at cost (Note 7.2)	240	240
Other investment - at FVTOCI (Note 7.3)	125,294	91,410
	<u>615,033</u>	<u>557,757</u>

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

For the nine months ended September 30, 2021

	(Unaudited) September 30, 2021	(Audited) December 31, 2020
	(Rupees in thousand)	
7.1 Investment in associate (with significant influence) - under equity method		
Speed (Private) Limited		
263,909 (2020: 263,909) fully paid ordinary shares of Rupees 100 each	342,526	342,526
Share of post acquisition reserve		
As at the beginning of the period / year	96,080	175,090
Adjustment due to adoption of IFRS 16	-	(58,532)
Share of post acquisition profit for the period / year	25,694	(20,478)
	121,774	96,080
	464,300	438,606
JOMO Technologies (Private) Limited	80,000	40,000
40,666,667 (2020: 40,000,000) fully paid ordinary shares of Rupees 1 each		
As at the beginning of the period / year	(12,499)	-
Share of post acquisition loss for the period / year	(42,302)	(12,499)
	(54,801)	(12,499)
	25,199	27,501
	489,499	466,107
7.2 Investment in joint ventures - at cost		
S2 Power Limited		
24,000 (2020: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
S2 Hydro Limited		
24,000 (2020: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
	480	480
Impairment loss recognized against investment in S2 Power Limited	(240)	(240)
	240	240
7.3 Other investment - at FVTOCI		
TRG Pakistan Limited		
775,000 (2020: 1,000,000) fully paid ordinary shares of Rupees 10 each	17,089	22,050
Fair value adjustment	108,205	69,360
	125,294	91,410

	Nine Months Ended		Three Months Ended	
	Unaudited September 30, 2021	Unaudited September 30, 2020	Unaudited September 30, 2021	Unaudited September 30, 2020
(Rupees in thousand)				
8 Cost of sales				
Raw materials consumed (Note 7.1)	16,513,469	11,338,840	6,193,738	4,782,265
Salaries, wages and other benefits	3,170,425	2,747,134	1,168,261	924,740
Stores and spares consumed	374,593	296,814	153,065	98,799
Packing materials consumed	778,440	564,066	293,286	213,424
Fuel and power	1,161,240	701,500	465,883	298,702
Insurance	24,919	22,586	7,872	8,327
Travelling	14,577	12,126	11,121	3,785
Repair and maintenance	183,496	148,806	62,446	55,331
Entertainment	8,086	3,918	5,139	1,572
Depreciation	551,962	514,389	208,258	174,296
(Reversal of provision)/ provision for slow moving and obsolete inventory	(8,134)	4,577	12,567	(8,456)
Other manufacturing charges	127,494	102,898	57,874	19,369
	22,900,567	16,457,654	8,639,510	6,572,154
Work in process:				
Opening stock	700,755	474,140	1,275,654	733,124
Less: Closing stock	(1,116,717)	(655,633)	(1,116,717)	(655,633)
	(415,962)	(181,493)	158,937	77,491
Cost of goods manufactured	22,484,605	16,276,161	8,798,447	6,649,645
Finished goods:				
Opening stock	2,930,940	2,972,936	3,353,685	3,234,965
Add: Purchases during the period	2,679,253	1,175,381	864,607	263,761
Less: Closing stock	(3,821,242)	(2,438,714)	(3,821,242)	(2,438,714)
	1,788,951	1,709,603	397,050	1,060,012
	24,273,556	17,985,764	9,195,497	7,709,657
8.1 Raw materials consumed				
Opening stock	2,706,529	1,879,658	3,381,112	2,258,857
Add: Purchases during the period	17,881,994	11,385,598	6,887,680	4,449,824
Less: Closing stock	(4,075,054)	(1,926,416)	(4,075,054)	(1,926,416)
	16,513,469	11,338,840	6,193,738	4,782,265

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

For the nine months ended September 30, 2021

9. Segment Information

The Group 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.

Technical Rubber Products: Manufacturing of different qualities of rubber products on specifications.

(Rupees in thousand)

	Footwear		Tyre		Technical Rubber Products		Total - Company	
	Nine months ended	Nine months ended	Nine months ended	Nine months ended	Nine months ended	Nine months ended	Nine months ended	Nine months ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020	Sep 30, 2020
Sales	9,967,884	9,118,495	18,656,397	12,829,784	259,572	266,905	28,883,853	22,215,184
Profit before taxation and unallocated income and expenses	159,676	619,540	1,694,150	1,633,847	65,486	64,959	1,919,312	2,318,346
Unallocated income and expenses:								
Taxation							(1,241,983)	(1,199,316)
							(224,830)	(299,386)
Profit after taxation							452,499	819,644

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

For the nine months ended September 30, 2021

9.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Technical Rubber Products		Total - Company	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	Sep 30, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020	Sep 30, 2021	Dec 31, 2020
Total assets for reportable segment	15,552,062	14,565,025	28,599,177	13,403,695	334,716	281,408	44,485,955	28,250,128
Unallocated assets							5,222,339	2,177,111
Total assets as per condensed consolidated interim financial statements							49,708,294	30,427,239
Unallocated liabilities							35,073,204	20,588,215
Total liabilities as per condensed consolidated interim financial statements							35,073,204	20,588,215

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

For the nine months ended September 30, 2021

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 consolidated 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 30 September 2021 (Unaudited)	Level 1	Level 2	Level 3	Total
	Rupees in thousand			
Financial assets				
Financial assets at fair value through other comprehensive income	125,294	-	-	125,294
Total financial assets	125,294	-	-	125,294

Recurring fair value measurements At 31 December 2020 (Audited)	Level 1	Level 2	Level 3	Total
	Rupees in thousand			
Financial assets				
Available for sale financial asset	91,410	-	-	91,410
Total financial assets	91,410	-	-	91,410

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

For the nine months ended September 30, 2021

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.

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

- (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 nine months ended September 30, 2021

	Unaudited Nine Months Ended		Unaudited Three Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
(Rupees in thousand)				
Associated companies				
Sale of goods	61,832	17,289	10,214	17,389
Donations made	37,318	26,701	10,773	11,437
Bonus shares issued	-	40	-	40
Cash dividend paid	-	119	-	119
Loan Disbursed	40,000	-	-	-
Repayment of Loan	90,000	-	65,000	-
Equity Investment	40,000	40,000	40,000	40,000
Interest charged	2,318	3,366	415	157
Key management personnel				
- Directors and spouses				
Cash dividend paid	157,791	63,119	-	63,119
Bonus shares issued	105,194	21,040	-	21,040
Remuneration	253,272	168,571	66,783	104,562
Meeting fee to directors				
- non executive	3,062	1,620	982	780
Other related parties				
Employees' retirement benefits	181,566	148,606	62,811	34,391
Bonus Shares	-	2,227	-	2,227
Cash Dividend	-	6,680	-	6,680

(ii) Period end balances

As at 30 September 2021 (Un-audited)		
Associated companies	Other related parties	Total

(Rupees in thousand)

Employee benefit plans	322,974	-	322,974
Trade debts	84,451	-	84,451
Accrued Interest	415	-	415
Loans and advances		11,476	

As at 31 December 2020 (Audited)		
Associated companies	Other related parties	Total

(Rupees in thousand)

Employee benefit plans	-	298,606	298,606
Loans and advances	11,476	-	11,476

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 audited consolidated financial statements as at December 31, 2020.

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

13 Date of authorization for issue

These financial statements were authorized for issue on October 28, 2021 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 consolidated condensed interim statement of financial position and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows have been compared with the amounts 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)

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 مکمل سٹیل ریڈیل ٹرک اور بس ٹائروں کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد ہے۔ سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے %32.09 حصص ہیں۔

سروس شوز لٹکا (پرائیویٹ) لمیٹڈ

سروس شوز لٹکا (پرائیویٹ) لمیٹڈ، سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا ایک ذیلی ادارہ ہے، جو کہ سروس انڈسٹریز لمیٹڈ کی مکمل ملکیتی ماتحت ادارہ ہے۔ سروس شوز لٹکا (پرائیویٹ) لمیٹڈ ایک پرائیویٹ لمیٹڈ لائسنسڈ کمپنی ہے جو 16 جولائی 2015 کو کمپنیز ایکٹ 2007 کی دفعات کے تحت سری لٹکا میں تشکیل دی گئی۔ کمپنی کا رجسٹرڈ آفس نمبر 143/17 سری وکرما ماوتھا کولبو 15 پر واقع ہے اور اس کا کاروباری مرکز کاتو نائیکے میں واقع ہے۔

منجانب بورڈ



عارف سعید
چیف ایگزیکٹو



احمد جاوید
چیرمین

مورخہ 28 اکتوبر 2021

لاہور

گروپ کی ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والے نو ماہ کے لیے سروس انڈسٹریز لمیٹڈ اور اس کے ذیلی اداروں کے مجموعی مختصر 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 اور سروس شووز لٹکا (پرائیویٹ) لمیٹڈ کی جو کہ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کی جزوی ملکیتی ذیلی ادارہ ہے، پر مشتمل ہے

سروس انڈسٹریز لمیٹڈ

30 ستمبر 2021 کو ختم ہونے والے نو ماہ کی سروس انڈسٹریز لمیٹڈ کی کارکردگی پر ڈائریکٹرز کے تبصرہ کی رپورٹ الگ سے پیش کی گئی ہے۔ سروس انڈسٹریز لمیٹڈ نے انٹرنیشنل فائینینشل رپورٹنگ اسٹینڈرڈز اینڈ کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق اپنے مختصر مجموعی عبوری گوشواروں کے ساتھ اپنی انفرادی مختصر 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 (اب کمپنیز ایکٹ 2017) 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 یا دنیا میں کہیں 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 ایکس پبلک لمیٹڈ کمپنی کے طور پر کمپنیز ایکٹ 2017 کے تحت تشکیل دیا گیا تھا اور اسے 28 اپریل 2021 کو پاکستان اسٹاک ایکسچینج میں لسٹ کیا گیا تھا۔ کمپنی کی بنیادی سرگرمیاں جوتے، چمڑے اور متعلقہ مصنوعات کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد ہے۔ سروس گلوبل فٹ ویئر لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 80% حصص ہیں۔ سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس گلوبل فٹ ویئر لمیٹڈ 18.91 فیصد حصص ہے۔

فی شیئر آمدنی

اس نو ماہ میں فی شیئر آمدنی 4.33 روپے رہی جو پچھلے سال کے اسی مدت میں 5.33 روپے تھی۔


کورونا وبا کے تناظر میں مستقبل پر ایک نظر


ہمیں امید ہے کہ کمپنی کا موجودہ سال کے دوران پیداواری استعداد بڑھانے اور فروخت میں اضافے کے لیے سرمایہ کاری کا فیصلہ، آنے والے سال میں کمپنی کو بہترین منافع فراہم کرنے میں مدد دے گا۔ ہمارے برانڈ کی مضبوطی اور ہماری صلاحیتوں کی بدولت ہم لگاتار جو توجہ اور نائز دونوں مارکیٹ میں سب سے آگے ہیں۔

اعتراف

ہم تہہ دل سے بورڈ کے ممبران کی قابل قدر رہنمائی اور تعاون کے مشکور ہیں۔ علاوہ ازیں ہم تمام ملازمین کی انتھک اور پرعزم 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 شکریہ ادا کرتے ہیں۔ کہ انہوں نے ہم پر بھروسہ کیا اور ہماری غیر متزلزل حمایت جاری رکھی۔

منجانب بورڈ


عارف سعید
چیف ایگزیکٹو


احمد جاوید
چیئر مین

مورخہ 28 اکتوبر 2021
لاہور

ٹائر ڈویژن

ٹائر ڈویژن سروس انڈسٹریز لمیٹڈ کی آمدنی کا سب سے بڑا ذریعہ ہے۔ اس کی فروخت میں پچھلے سال کی نسبت اس نوماہ میں تقریباً 5.83 ارب روپے اور 45.41 فیصد کا زبردست اضافہ ہوا ہے۔ یہ کامیابی زبردست نظم و ضبط، مصنوعات کے معیار، ترسیل کا سلسلہ اور مصنوعات میں لگاتار جدت لانے کا نتیجہ ہے۔

خام مال کی قیمتوں اور ترسیل کے اخراجات میں تیزی سے اضافہ ہمارے پیداواری اہداف کو متاثر کر رہا ہے۔ ان مشکلات کے باوجود، ہماری ٹائر ڈویژن کی انتظامیہ اپنی ساکھ پر انحصار کرتے ہوئے اپنے کاروباری تناسب کو قائم رکھنے کے لئے پر عزم ہے۔

زرعی ٹائر کی پیداوار کا آغاز 2020 میں ہوا، ہماری مصنوعات کو مارکیٹ میں بہت پذیرائی ملی ہے۔ انتظامیہ ملک گیر مارکیٹنگ سرگرمیوں، آگاہی مہم، علاقائی ڈیلر میٹنگز اور مارکیٹنگ کے ذرائع کی استعداد مزید بڑھانے اور پیداواری طریقوں پر نظر ثانی کے ذریعے مارکیٹ میں اپنی قیادت کو مضبوط بنانے پر کام کر رہی ہے۔ انتظامیہ نے اس عرصے میں پروڈکشن کی استعداد بڑھانے میں سرمایہ کاری کی ہے جس کے نتیجے میں آئندہ سال فروخت بڑھنے کے ساتھ ساتھ لاگت میں کمی ہوگی۔

فٹ وئیر ڈویژن

جوتوں کی فروخت میں اس نوماہ میں پچھلے سال کی اسی مدت کے دوران فروخت کے مقابلے میں 24 فیصد کا صحت مند اضافہ ہوا۔ مقامی فروخت جو کہ جوتوں کی فروخت کا بنیادی حصہ ہے اس سے حاصل شدہ منافع مقامی مارکیٹ میں سست روی کی وجہ سے شدید دباؤ کا شکار ہے۔ اس مشکل دور میں، کمپنی کی جانب سے دستیاب پروڈکشن کی استعداد کو بروئے کار لانے کے لیے اداروں سے کم منافع پر جوتوں کے مزید آرڈرز حاصل کیے تھے۔

ان مشکلات کے باوجود، سال 2021 ہمارے ریٹیل کاروبار کے لیے توسیع کا سال رہا ہے اور اب ہمارے پاس ملک بھر میں 80 سے زیادہ اسٹورز ہیں۔ کاروبار میں یہ زبردست توسیع سال 2020 میں کی گئی اصلاحات، جیسا کہ علاقے کے مناسبت سے مصنوعات فروخت کرنا، فروخت پر مناسب رعایت، سٹاک کی بہتر منصوبہ بندی اور بہتر ملی جلی مصنوعات کی وجہ سے ممکن ہوئی۔

ربر کی فنی مصنوعات

ہماری ربر ڈویژن جو کہ اداروں کو فروخت کرتی ہے، اپنی منفرد نوعیت کی وجہ سے کرونا وبا سے متاثر نہیں ہوئی۔ اس نوماہ میں اس ڈویژن کی فروخت 259.57 ملین روپے رہی جو پچھلے سال کی اسی مدت کے دوران 266.91 ملین روپے تھی۔ اس ڈویژن نے بھی اس نوماہ میں بہتر منافع حاصل کیا ہے۔

ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

ڈائریکٹرز اپنی رپورٹ بمعہ سروس انڈسٹریز لمیٹڈ کی 30 ستمبر 2021 تک کی نو ماہ کی مختصر عبوری انفرادی مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

سال 2020 کے آغاز میں تیزی سے پھیلنے والی کرونا وبا کئی خطوں میں ابھی جاری ہے، تاہم اب اس کے پھیلاؤ میں کافی کمی آچکی ہے، جس کی بڑی وجہ عالمی سطح پر بڑے پیمانے پر ویکسینیشن ہے۔ اس وبائی مرض نے بین الاقوامی اور ملکی معیشت کو بری طرح متاثر کیا ہے، اب معاشی بحالی کے واضح اشارے مل رہے ہیں۔ کمپنی کی انتظامیہ کو کرونا کے بعد کی صورت حال سے نمٹنے کے لیے اپنی حکمت عملی پر نظر ثانی کرنی پڑی اور عالمی اور مقامی معیشت کی بہتری سے فائدہ اٹھانے کے لیے پیداواری استعداد کو بڑھانے کے لیے سرمایہ لگانے کی طرف توجہ دی۔ ملازمین کی صحت اور حفاظت کو یقینی بنانے کے لیے بھی اقدامات کیے گئے۔

کمپنی کی کارکردگی

30 ستمبر 2021 کو ختم ہونے والی نو ماہ کے لئے سروس انڈسٹریز لمیٹڈ کی انفرادی عبوری مالیاتی کارکردگی درج ذیل ہے۔

نو ماہی 30 ستمبر اختتام		
نمبر 2021 SIL	نمبر 2020 SIL	فیصد تبدیلی
روپے ہزار میں		
23,723,243	16,992,448	39.61%
3,724,682	3,216,745	15.79%
203,672	250,329	-18.64%

خالص فروخت
گروس منافع
منافع بعد از ٹیکس

ایس آئی لبل نے نو ماہ کی مدت کے دوران اپنے مالیاتی گوشواروں کے مطابق 23.72 بلین روپے کی فروخت کی جو پچھلے سال کی اسی مدت کے مقابلے میں 40 فیصد زیادہ ہے۔ بعد از ٹیکس خالص منافع 203.67 بلین روپے رہا جو کہ گزشتہ سال کی اسی مدت میں 250.33 بلین روپے تھا۔ فروخت میں نمایاں اضافہ بنیادی طور پر کمپنی کے ٹائر ڈویژن کی فروخت کے حجم میں اضافے کی وجہ سے ہوا، اور اس میں فٹ وائر ڈویژن کا تناسب اضافہ بھی شامل ہے۔ عالمی سطح پر خام مال کی قیمتوں میں اضافے اور روپے کی قدر میں کمی، توانائی اور ترسیل کی لاگت میں اضافے کمپنی کے منافع میں کمی کا باعث بنا۔

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