



*Servis*

Service Industries Limited



Reports & Un-Audited Accounts  
for the Half Year Ended  
June 30, 2024

**DIVERSIFICATION  
CREATES OPPORTUNITY**



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# Company Information

## Board of Directors

### Ms. Uzma Adil Khan

(Chairperson / Independent Director)

### Mr. Arif Saeed

(Chief Executive Officer)

Executive Director

### Mr. Omar Saeed

Executive Director

### Mr. Hassan Javed

Non-Executive Director

### Mr. Adil Matcheswala

Non-Executive Director

### Mr. Ahsan Bashir

Non-Executive Director

### Chaudhry Saif Javed

Non-Executive Director

### Mr. Muhammad Naeem Khan

Independent Director

### Mr. Shahid Hussain Jatoi

Independent Director

## Chief Financial Officer

Mr. Badar Ul Hassan

## Company Secretary

Mr. Waheed Ashraf

## Audit Committee

### Mr. Muhammad Naeem Khan

(Chairman)

Independent Director

### Mr. Adil Matcheswala

(Member)

Non-Executive Director

### Chaudhry Saif Javed

(Member)

Non-Executive Director

## Human Resource and Remuneration Committee

### Ms. Uzma Adil Khan

(Chairperson)

Independent Director

### Mr. Arif Saeed

(Member)

Executive Director

### Mr. Ahsan Bashir

(Member)

Non-Executive Director

**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  
Soneri Bank Limited  
The Bank of Punjab  
The Bank of Khyber  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Limited  
United Bank Limited  
SME Bank Limited  
Pak Kuwait Investment Company  
Al Baraka Bank (Pakistan) 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

**Manufacturing Facility**

G.T. Road, Gujrat.

**Web Presence**

[www.servisgroup.com](http://www.servisgroup.com)

## Directors' Report to the Shareholders

The Directors of Service Industries Limited ("SIL" or the "Company") are pleased to present their Report along with the unconsolidated condensed interim financial statements for the half year ended June 30, 2024.

### Scheme of Compromises, Arrangement and Reconstruction

The Board of Directors and shareholders of the Company in their meetings held on February 27, 2024 and May 06, 2024 respectively, approved the Scheme of Compromises, Arrangement and Reconstruction (the "Scheme") under Section 279 to 283 of the Companies Act, 2017 for the de-merger of Tyre Undertaking, Retail Undertaking and Speed (Private) Limited Shares (SPL Shares) from Service Industries Limited and transfer and vesting of Tyre Undertaking into Service Tyres (Private) Limited, transfer and vesting of Retail Undertaking into Service Retail (Private) Limited and transfer and vesting of SPL Shares into Service Industries Capital (Private) Limited. The Scheme have been sanctioned by the Honorable Lahore High Court, Lahore vide its Order dated June 12, 2024, certified true copy of the Order was received on June 28, 2024 and filed with the Registrar of Companies, SECP on the same day. Effective Date of the Scheme was January 01, 2024. These financials have been prepared after giving complete effect to the Scheme and hence do not include the financials of Tyre Undertaking and Retail Undertaking which have been clubbed in Service Tyres (Private) Limited and Service Retail (Private) Limited, respectively.

### Key Performance Indicators (KPIs)

Please find below key performance indicators of unconsolidated condensed interim financial statements for the half year ended June 30, 2024:

Particulars	Half Year Ended
	June 2024 "000"
Net Sales	2,738,556
Gross Profit	541,355
Operating profit	1,137,601
Profit before tax	120,340
Net profit after tax	47,035
EPS (Rs. / share)	1.00

Since, Tyre Undertaking, Retail Undertaking and SPL Shares have been separated from the Company with effect from 01 January 2024, hence, comparative figures are not comparable and not provided in the above table.

### Subsidiary Companies

During the half year under review, the Company received interim dividend of Rs. 491 million (Rs. 3 per share) and final dividend of Rs. 327 million (Rs. 2 per share) from Service Global Footwear Limited.

In the first quarter, the Company made further investment of Rs. 335 million in Service Long March Tyres (Private) Limited. This investment would further expand the production capacity of the subsidiary and derive profitable business.

## Future Outlook

The company continues to navigate a challenging operating environment, even though there has been some relief in the form of decrease in policy rates and reduced inflation. However, the recent taxation measures introduced in Budget 2024, continuous increase in power prices, political instability, external account pressures, and international conflicts paint a bleak outlook. Nevertheless, management is mindful of these challenges and is proactively adapting its business strategies to mitigate their impact. Moving forward, management is confident that its newly demerged companies will operate more efficiently under specialized professional teams, leading to increased dividends and benefits for the company.

## Acknowledgment

The Directors would like to express their deep appreciation to the shareholders who have consistently demonstrated their trust in the Company and also acknowledge the dedicated efforts made by the employees towards achievement of corporate objectives. We also thank our customers, suppliers and bankers for their continued support. We look forward to delivering promising results throughout the year.

For and on behalf of the Board



Arif Saeed  
(Chief Executive)

August 24, 2024  
Lahore.



Omar Saeed  
(Director)



# Independent Auditor's Review Report

## To the members of Service Industries Limited Report on review of Unconsolidated Condensed Interim Financial Statements

### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of SERVICE INDUSTRIES LIMITED as at 30 June 2024 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 30 June 2024 and 30 June 2023 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 30 June 2024.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Syed Mustafa Ali.



**RIAZ AHMAD & COMPANY**  
Chartered Accountants

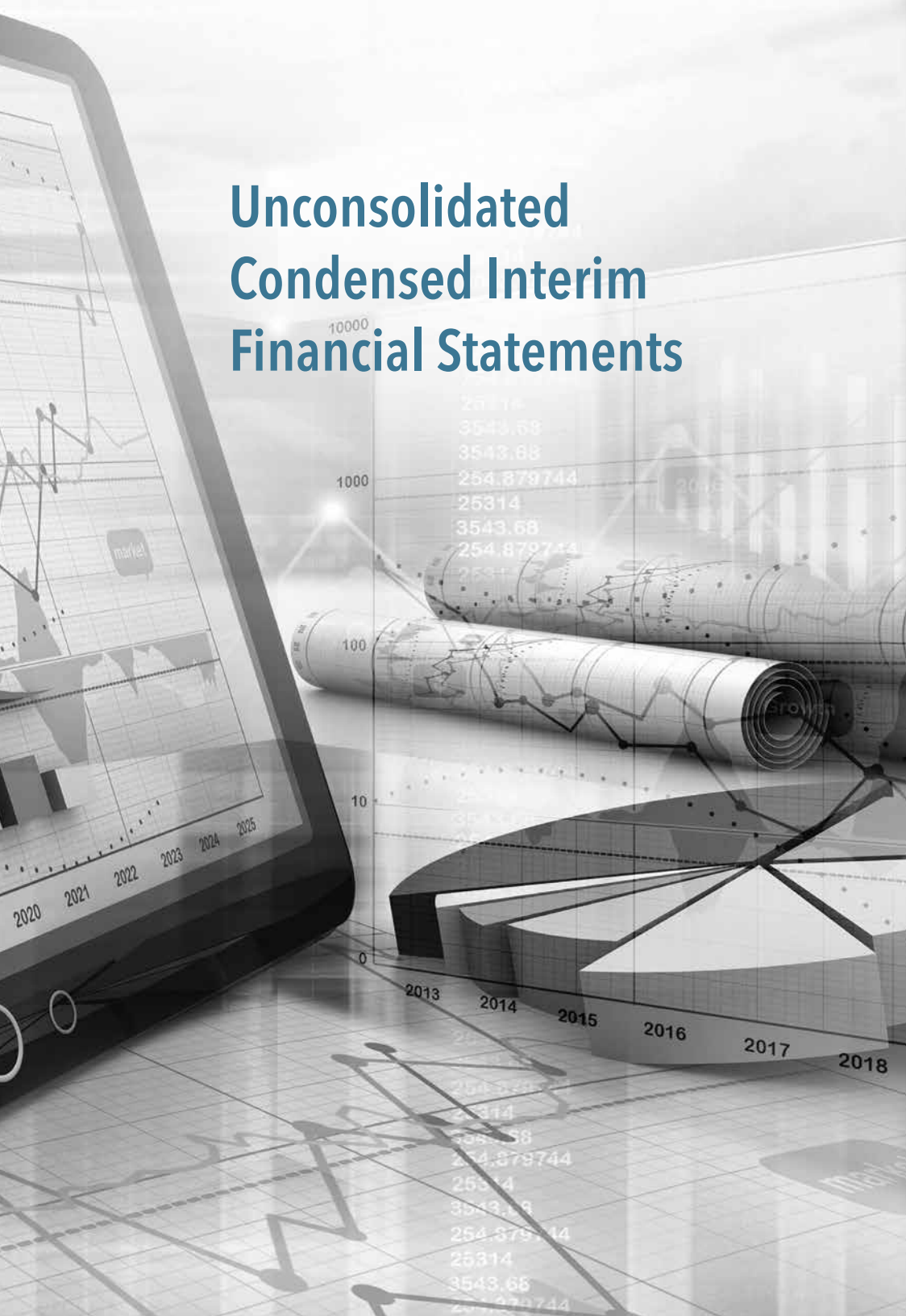
Lahore

Date: August 27, 2024

UDIN: RR202410168rseMSG1j8



# Unconsolidated Condensed Interim Financial Statements



# Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2024

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Note	(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital		
100,000,000 (31 December 2023: 100,000,000) ordinary shares Rupee 10 each	<b>1,000,000</b>	1,000,000
Issued, subscribed and paid up share capital		
46,987,454 (31 December 2023: 46,987,454) ordinary shares of Rupees 10 each	<b>469,874</b>	469,874
Reserves	<b>7,735,266</b>	7,848,305
<b>Total equity</b>	<b>8,205,140</b>	8,318,179
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	4 <b>5,566,783</b>	8,808,519
Long term deposits	-	85,024
Lease liabilities	<b>69,052</b>	5,037,023
Employees' retirement benefit	<b>45,424</b>	287,024
Deferred liabilities	-	570,883
	<b>5,681,259</b>	14,788,473
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>1,962,788</b>	6,788,737
Accrued mark-up	<b>366,960</b>	802,891
Short term borrowings	<b>5,144,709</b>	10,889,573
Current portion of non-current liabilities	<b>721,536</b>	2,795,875
Unclaimed dividend	<b>48,430</b>	43,783
	<b>8,244,423</b>	21,320,859
<b>Total liabilities</b>	<b>13,925,682</b>	36,109,332
Contingencies and commitments	5	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22,130,822</b>	44,427,511

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



Arif Saeed  
(Chief Executive)

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	6	1,215,251	12,447,494
Investment property		182	-
Right-of-use assets		76,438	4,521,384
Intangible assets		5,648	7,510
Long term investments	7	13,673,989	8,028,956
Deferred income tax asset - net		78,263	-
Long term loans to employees		14,683	17,812
Long term security deposits		11,908	232,301
		<b>15,076,362</b>	<b>25,255,457</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		63,098	616,897
Stock in trade		2,385,795	10,387,433
Trade debts		1,342,804	3,867,331
Loans and advances		211,989	729,894
Advance income tax and prepaid levy - net	8	54,365	306,864
Trade deposits and prepayments		136,448	187,382
Other receivables		336,134	379,147
Short term investments		182,256	883,430
Cash and bank balances		2,341,571	1,813,676
		<b>7,054,460</b>	<b>19,172,054</b>
<b>TOTAL ASSETS</b>		<b>22,130,822</b>	<b>44,427,511</b>



Omar Saeed  
(Director)



Badar Ul Hassan  
(Chief Financial Officer)

## Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the half year ended June 30, 2024

	Note	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Rupees in thousand)					
Revenue	9	<b>2,738,556</b>	26,553,006	<b>1,448,336</b>	15,200,589
Cost of sales	10	<b>(2,197,201)</b>	(20,283,478)	<b>(1,134,117)</b>	(11,630,075)
<b>Gross profit</b>		<b>541,355</b>	6,269,528	<b>314,219</b>	3,570,514
Distribution cost		<b>(186,765)</b>	(2,136,184)	<b>(99,011)</b>	(1,188,429)
Administrative expenses		<b>(215,396)</b>	(915,386)	<b>(145,827)</b>	(476,204)
Other expenses		<b>(2,669)</b>	(152,417)	<b>2,855</b>	(95,384)
		<b>(404,830)</b>	(3,203,987)	<b>(241,983)</b>	(1,760,017)
		<b>136,525</b>	3,065,541	<b>72,236</b>	1,810,497
Other income		<b>1,001,076</b>	469,445	<b>492,351</b>	287,124
<b>Profit from operations</b>		<b>1,137,601</b>	3,534,986	<b>564,587</b>	2,097,621
Finance cost		<b>(1,017,261)</b>	(2,210,878)	<b>(433,199)</b>	(1,262,482)
		<b>120,340</b>	1,324,108	<b>131,388</b>	835,139
Share of profit of equity accounted investee - net of taxation		-	25,788	-	8,916
<b>Profit before taxation and levy</b>		<b>120,340</b>	1,349,896	<b>131,388</b>	844,055
Levy		-	(109,525)	-	(55,814)
<b>Profit before taxation</b>		<b>120,340</b>	1,240,371	<b>131,388</b>	788,241
Taxation		<b>(73,305)</b>	(446,965)	<b>45,029</b>	(290,833)
<b>Profit after taxation</b>		<b>47,035</b>	793,406	<b>176,417</b>	497,408
Earnings per share - basic and diluted (Rupees)		<b>1.00</b>	16.89	<b>3.75</b>	10.59

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 (Un-audited)

For the half year ended June 30, 2024

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)			
Profit after taxation	<b>47,035</b>	793,406	<b>176,417</b>	497,408
<b>Other comprehensive loss</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Deficit arising on remeasurement of investment at fair value through other comprehensive income - net of tax	<b>(13,191)</b>	(11,450)	<b>(4,374)</b>	(8,430)
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-	-	-
<b>Other comprehensive loss for the period - net of tax</b>	<b>(13,191)</b>	(11,450)	<b>(4,374)</b>	(8,430)
<b>Total comprehensive income for the period</b>	<b>33,844</b>	781,956	<b>172,043</b>	488,978

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 (Un-audited)

For the half year ended June 30, 2024

	Reserves										Total Equity								
	Share Capital	Capital Reserves					Reserve pursuant to the Scheme	Sub Total	Revenue Reserves			Total							
		Capital gains	Fair value reserve FVOCI investment	Share premium	Share of share premium reserve held by equity accounted investee	Share premium to the Scheme			Sub Total	General reserve			Un- appropriated profit	Sub total					
	Rupees in thousand																		
<b>Balance as at 31 December 2022 - audited</b>	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							
<b>Transactions with owners:</b>																			
Final dividend for the year ended 31 December 2022 @ Rupees 5 per share	-	-	-	-	-	-	-	-	(234,937)	(234,937)	(234,937)	(234,937)							
Profit for the half year ended 30 June 2023	-	-	-	-	-	-	-	-	793,406	793,406	793,406	793,406							
Other comprehensive loss for the half year ended 30 June 2023	-	-	(11,450)	-	-	-	(11,450)	-	-	(11,450)	(11,450)	(11,450)							
Total comprehensive income for the half year ended 30 June 2023	-	-	(11,450)	-	-	-	(11,450)	-	793,406	793,406	793,406	793,406							
<b>Balance as at 30 June 2023 - un-audited</b>	469,874	102,730	44,442	21,217	23,935	927,163	1,119,487	1,558,208	4,670,871	6,229,079	7,348,566	7,818,440							
Profit for the half year ended 31 December 2023	-	-	-	-	-	-	-	-	-	-	-	-							
Other comprehensive loss for the half year ended 31 December 2023	-	-	(10,195)	-	-	-	(10,195)	-	-	(10,195)	(10,195)	(10,195)							
Total comprehensive income for the half year ended 31 December 2023	-	-	(10,195)	-	-	-	(10,195)	-	-	(10,195)	(10,195)	(10,195)							
<b>Balance as at 31 December 2023 - audited</b>	469,874	102,730	34,247	21,217	23,935	927,163	1,109,292	1,558,208	5,180,805	6,739,013	7,848,305	8,318,179							
<b>Transactions with owners:</b>																			
Final Dividend for the year ended 31 December 2023 @ Rupees 10 per share	-	-	-	-	-	-	-	-	-	-	-	-							
Credited to reserve on transfer of negative net assets to Service Retail (Private) Limited - subsidiary company pursuant to the Scheme (Note 1)	-	-	-	-	-	-	-	-	(469,875)	(469,875)	(469,875)	(469,875)							
Profit for the half year ended 30 June 2024	-	-	-	-	-	-	-	-	-	-	-	-							
Other comprehensive loss for the half year ended 30 June 2024	-	-	(13,191)	-	-	-	(13,191)	-	-	(13,191)	(13,191)	(13,191)							
Total comprehensive income for the half year ended 30 June 2024	-	-	(13,191)	-	-	-	(13,191)	-	-	(13,191)	(13,191)	(13,191)							
<b>Balance as at 30 June 2024 - un-audited</b>	469,874	102,730	21,056	21,217	23,935	927,163	1,096,101	1,558,208	5,080,957	6,639,165	7,735,266	8,205,140							

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 (Un-audited)

For the half year ended June 30, 2024

		(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	Note	(Rupees in thousand)	
<b>Cash flow from operating activities</b>			
<b>Cash generated from operations</b>	11	<b>316,503</b>	3,360,883
Finance cost paid		(1,027,969)	(1,754,720)
Income tax paid		(213,027)	(353,490)
Staff retirement benefits paid		(24,173)	(15,918)
Long term loans to employees - net		(9,800)	9,206
Long term security deposits - net		15,203	16,190
<b>Net cash (used in) / generated from operating activities</b>		<b>(943,263)</b>	1,262,151
<b>Cash flows from investing activities</b>			
Capital expenditure on fixed assets		(112,816)	(1,906,615)
Proceeds from disposal of fixed assets		12,907	5,275
Long term investments made		(344,570)	-
Proceeds from disposal of short term investment		697,658	155,000
Return on short term investments received		13,858	13,552
Dividend received		817,750	163,550
<b>Net cash from / (used in) investing activities</b>		<b>1,084,787</b>	(1,569,238)
<b>Cash flows from financing activities</b>			
Long term financing obtained		112,498	2,617,143
Long term financing repaid		(1,157,736)	(1,078,095)
Long term security deposit - net		-	48,105
Short term borrowings - net		3,611,144	(222,570)
Lease liabilities - net		(13,597)	(345,432)
Dividend paid		(465,228)	(232,659)
<b>Net cash from financing activities</b>		<b>2,087,081</b>	786,492
<b>Net increase in cash and cash equivalents</b>		<b>2,228,605</b>	479,405
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,813,676</b>	1,424,592
<b>Cash transferred to subsidiary company pursuant to the Scheme</b>	1	<b>(1,700,710)</b>	-
<b>Cash and cash equivalents at the end of the period</b>		<b>2,341,571</b>	1,903,997

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 (Un-audited)

For the half year ended June 30, 2024

### 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 Limited. The registered office of the Company is located at 2-Main Gulberg, Lahore. The principal activities of the Company, after the approval of the Scheme of Arrangement as stated below in detail, are purchase, manufacture and sale of footwear and technical rubber products. These unconsolidated condensed interim financial statements pertain to Service Industries Limited as an individual entity.

#### Scheme of Arrangement

In accordance with the Scheme of Arrangement between Service Industries Limited and its members and Service Tyres (Private) Limited [wholly owned subsidiary of Service Industries Limited] and its members and Service Retail (Private) Limited [wholly owned subsidiary of Service Industries Limited] and its members and Service Industries Capital (Private) Limited [wholly owned subsidiary of Service Industries Limited] and its members (in terms of provisions of sections 279 to 283 and all other enabling provisions of the Companies Act, 2017)[hereinafter referred to as the 'Scheme'] duly approved by the shareholders of Service Industries Limited, Service Tyres (Private) Limited, Service Retail (Private) Limited and Service Industries Capital (Private) Limited on 06 May 2024 and sanctioned by the Honorable Lahore High Court, Lahore vide its Order dated 12 June 2024 (Sanction Date)[certified true copy of the Order received on 28 June 2024 and filed with the Registrar of Companies on 28 June 2024], reconstruction of Service Industries Limited as stated below has taken effect from 01 January 2024 (Effective Date):

- i. the separation of the Transferred Assets and Undertakings [the Tyre Undertaking (inclusive of 128,150,000 shares of Service Long March Tyres (Private) Limited), the Retail Undertaking and Speed (Private) Limited (SPL) Shares] inclusive of all assets, rights, liabilities and obligations of Service Industries Limited (except for the Retained Assets and Undertakings) pertaining thereto;
- ii. the transfer and vesting of the Tyre Undertaking into Service Tyres (Private) Limited;
- iii. the transfer and vesting of the Retail Undertaking into Service Retail (Private) Limited; and
- iv. the transfer and vesting of the SPL Shares into Service Industries Capital (Private) Limited.

After the sanction of the Scheme by the Honorable Lahore High Court, Lahore, the vesting of Tyre Undertaking in Service Tyres (Private) Limited, Retail Undertaking in Service Retail (Private) Limited and transfer of SPL Shares into Service Industries Capital (Private) Limited is deemed to have taken effect from on 01 January 2024 (Effective Date).

As and from the Effective Date and until occurrence of the Sanction Date:

- Service Industries Limited is deemed to have carried on the business relating to the Tyre Undertaking and Retail Undertaking for and on behalf of Service Tyres (Private) Limited and Service Retail (Private) Limited respectively and held the Tyre Undertaking and Retail Undertaking in trust for Service Tyres (Private) Limited and Service Retail (Private) Limited respectively;
- any income, sales including exports or profits accrued or arose to Service Industries Limited or made by Service Industries Limited, and all costs, charges, expenses and losses or tax incurred by Service Industries Limited, in relation to each of the Tyre Undertaking and Retail Undertaking are for all purposes are treated as the income, sales including exports, profit, costs, charges, expenses and losses or tax of Service Tyres (Private) Limited and Service Retail (Private) Limited, respectively;

- any rights, titles, assets, privileges, powers, licenses, permissions, claims, interests, liabilities and obligations of Service Industries Limited which arose or accrued in relation to each of the Tyre Undertaking and Retail Undertaking are deemed to be the rights titles, assets, privileges, powers, licenses, permissions, claims interests, liabilities and obligations of Service Tyres (Private) Limited and Service Retail (Private) Limited, respectively;
- 128,150,000 shares of Service Long March Tyres (Private) Limited (SLM Shares) are deemed to have been owned and held for and on account and for the benefit of Service Tyres (Private) Limited and all profits, dividends, bonus shares, rights shares and entitlements accruing or arising to Service Industries Limited from or on account of the SLM Shares are treated as profits, dividends, bonus shares, rights shares and entitlements (as applicable) accruing or arising to Service Tyres (Private) Limited;
- SPL Shares are deemed to have been owned and held for and on account and for the benefit of Service Industries Capital (Private) Limited and all profits, dividends, bonus shares, rights shares and entitlements accruing or arising to Service Industries Limited from or on account of the SPL Shares are treated as profits, dividends, bonus shares, rights shares and entitlements (as applicable) accruing or arising to Service Industries Capital (Private) Limited; and
- any transactions, acts, deeds done in the normal course of business and/or sanctioned by the Board of Directors of Service Industries Limited in relation to each of the Tyre Undertaking, Retail Undertaking and SPL shares are deemed to have been carried out for the benefit of Service Tyres (Private) Limited, Service Retail (Private) Limited and Service Industries Capital (Private) Limited respectively.

#### **Net assets transferred and consideration**

The assets and liabilities comprised in the Transferred Assets and Undertakings [the Tyre Undertaking (inclusive of 128,150,000 shares of Service Long March Tyres (Private) Limited), the Retail Undertaking and Speed (Private) Limited (SPL) Shares] and the Retained Assets and Undertakings have been arrived at as follows based on the audited financial statements of Service Industries Limited for the year ended 31 December 2023:

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

	Transferred Assets and Undertakings			Retained Assets and Undertakings
	Tyre undertaking	Retail Undertaking	SPL Shares	
	(Rupees in thousand)			
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed assets	9,900,796	1,366,021	-	1,180,677
Right-of-use assets	21,880	4,464,856	-	34,648
Intangible assets	-	1,860	-	5,650
Long term investments	1,281,500	-	407,916	6,339,540
Long term loans to employees	3,167	6,875	-	7,770
Long term security deposits	71,405	147,848	-	13,048
	11,278,748	5,987,460	407,916	7,581,333
<b>CURRENT ASSETS</b>				
Stores, spares and loose tools	541,365	-	-	75,532
Stock-in-trade	5,029,883	2,984,961	-	2,372,589
Trade debts	2,818,707	-	-	1,048,624
Loans and advances	505,586	104,510	-	119,798
Advance income tax - net of provision for taxation	388,703	(90,157)	-	8,318
Trade deposits and prepayments	11,811	51,821	-	123,750
Other receivables	148,388	38,388	-	192,371
Short term investments	-	-	-	883,430
Cash and bank balances	1,700,710	-	-	112,966
	11,145,153	3,089,523	-	4,937,378
<b>TOTAL ASSETS</b>	22,423,901	9,076,983	407,916	12,518,711
<b>NON-CURRENT LIABILITIES</b>				
Long term financing	2,497,156	600,000	-	5,711,363
Long term deposits	1,440	83,584	-	-
Lease liabilities	27,072	4,979,098	-	30,853
Employees' retirement benefit	205,524	18,611	-	62,889
Deferred liabilities	891,572	(403,190)	67,089	15,412
	3,622,764	5,278,103	67,089	5,820,517
<b>CURRENT LIABILITIES</b>				
Trade and other payables	3,664,875	1,641,577	-	1,482,285
Accrued mark-up	275,572	142,939	-	384,380
Short term borrowings	6,827,704	1,728,304	-	2,333,565
Current portion of non-current liabilities	1,370,743	609,052	-	816,080
Unclaimed dividend	-	-	-	43,783
	12,138,894	4,121,872	-	5,060,093
<b>Total liabilities</b>	15,761,658	9,399,975	67,089	10,880,610
<b>NET ASSETS</b>	6,662,243	(322,992)	340,827	1,638,101

As per clause 2, clause 3 and clause 4, Article – 4 of the Scheme:

- In consideration of the transfer of Tyre Undertaking by Service Industries Limited to Service Tyres (Private) Limited, Service Tyres (Private) Limited has issued and allotted 666,224,300 fully paid-up ordinary shares of Rupees 10 each to Service Industries Limited on the basis of net assets of Service Tyres (Private) Limited;
- In consideration for the transfer of SPL shares by Service Industries Limited to Service Industries Capital (Private) Limited, Service Industries Capital (Private) Limited has issued and allotted 34,082,700 fully paid-up ordinary shares of Rupees 10 each to Service Industries Limited;
- In consideration for the transfer of Retail Undertaking by Service Industries Limited to Service Retail (Private) Limited, un-appropriated profit of Service Industries Limited has been credited with Rupees 322,992,000 as of the Effective Date, as book value of assets being transferred to Service Retail (Private) Limited is less than the book value of liabilities being transferred to Service Retail (Private) Limited. Service Retail (Private) Limited, as of the Effective Date, has recognized a negative reserve of the same amount in its books of account.

## 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 2023. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors.

## 3. Material accounting policy information

The material accounting policy information and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 31 December 2023 except for the change in accounting policy of taxation and levy made in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by The Institute of Chartered Accountant of Pakistan through Circular No. 07/2024. This change has been explained in note 3.1 of these unconsolidated condensed interim financial statements.

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

### 3.1 Taxation and levy

#### Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associate or joint arrangement on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in the provision for current tax and was not separately charged in statement of profit or loss. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	Un-audited	
		Half year ended 30 June 2023	Quarter ended 30 June 2023
(Rupees in thousand)			

#### Unconsolidated condensed interim statement of profit or loss:

Taxation	Levy	109,525	55,814
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Reclassified from	Reclassified to	Audited	
		31 December 2023	
(Rupees in thousand)			

#### Unconsolidated condensed interim statement of financial position:

Advance income tax	Prepaid levy	463,389
Provision for taxation	Levy payable	225,502

Further, this change in accounting policy has no financial or reclassification impact on the unconsolidated condensed interim statement of profit or loss for the half year ended and quarter ended 30 June 2024 and unconsolidated condensed interim financial position as at 30 June 2024.

#### Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

### 3.2 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.

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 financial statements of the Company for the year ended 31 December 2023.

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)	
<b>4</b>	<b>Long term financing</b>		
Opening balance		<b>11,014,638</b>	9,316,411
Transferred to subsidiary companies pursuant to the Scheme	1		
Service Tyres (Private) Limited - subsidiary company		<b>(3,695,704)</b>	-
Service Retail (Private) Limited - subsidiary company		<b>(800,000)</b>	-
Add: Obtained during the period / year		<b>112,498</b>	4,309,888
Add: Transferred from Service Retail (Private) Limited - subsidiary company		<b>800,000</b>	-
Less: Repaid during the period / year		<b>(1,157,736)</b>	(2,657,834)
Add: Amortization of Government grant during the period / year		-	139,868
Less: Grant recognized during the period / year		-	(93,695)
Net impact		-	46,173
		<b>6,273,696</b>	11,014,638
Less: Current portion shown under current liabilities		<b>(706,913)</b>	(2,206,119)
		<b>5,566,783</b>	8,808,519

### 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 financial statements of the Company for the year ended 31 December 2023 except as follows:

- 5.1.1** On 07 December 2022, Additional Commissioner Inland Revenue (ACIR) amended assessment for tax year 2019 and raised a tax demand of Rupees 500.278 million on the basis of re-assessment of certain issues regarding tax credits, withholding of advance income tax and deductible allowances. The Company filed rectification application and an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)]. CIR(A), in connection with the appeal, decided the case in favour of the Company by deleting the demand in respect of deduction from income from business and annulling the matter with respect to tax credit and withholding of advance income tax for fresh consideration by the assessing officer. The management, based on the advice of the legal counsel, is confident of favourable outcome of this matter.

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

- 5.1.2** On 11 December 2018, Deputy Commissioner Inland Revenue (DCIR) issued show cause notice against the purchases made from the suspended / blacklisted units, inadmissible input tax claimed, inadmissible input tax claimed on the packing material and non payment of the further tax. After consideration of the Company's reply, DCIR imposed sales tax amounting to Rupees 516.202 million with default surcharge to be calculated at the time of payment of the tax. The Company being aggrieved with the decision filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). ATIR through its order dated 23 January 2023 remanded the case back to the DCIR. During the remand back proceedings, DCIR charged sales tax to the tune of Rupees 132.061 million primarily on the grounds of the inadmissible input tax on purchases. The Company being aggrieved filed an appeal before ATIR. The management, based on the advice of the legal counsel, is confident of favourable outcome of this matter.
- 5.1.3** On 30 November 2022, DCIR completed assessment proceedings and passed an order under section 11(2) of the Sales Tax Act, 1990 demanding sales tax amounting to Rupees 167.535 million along with penalty amounting to Rupees 8.377 million against claimed input tax for the tax periods from July 2020 to November 2021. The Company filed appeal on 29 December 2022, against foregoing assessment proceedings before CIR (Appeals), who has confirmed the order of DCIR. The Company filed an appeal on 04 February 2023, before ATIR. ATIR, in connection with the appeal, remanded the issue to the assessing officer for fresh consideration through order dated 04 September 2023. During the remand back proceedings, the accessing officer through order dated 28 March 2024 decided the case against the Company. The Company being aggrieved filed an appeal before ATIR which is decided subsequent to the reporting period in totality in favour of the Company through order dated 01 July 2024.
- 5.1.4** DCIR concluded sales tax audit for the periods from January 2020 to December 2020 and charged sales tax to the tune of Rupees 240.940 million through the order dated 28 June 2024 on the grounds of inadmissible input tax on purchase, suppression of sales with the figures as per the financial statements and other issues. The Company has filed an appeal before the ATIR which is pending adjudication. The management, based on the advice legal counsel, is confident of favourable outcome.
- 5.1.5** Guarantees issued in ordinary course of business through banks are of Rupees 2,045.899 million (31 December 2023: Rupees 2,757.884 million).
- 5.1.6** The Company is availing Export Facilitation Scheme (EFS) License issued by Collector of Custom, Sialkot Dry Port with a face value of Rupees 2,000 million (31 December 2023: Rupees 7800 million) for the duty and tax free imports of plant, machinery, equipment, component parts, raw material, packing material and accessories. The said limit was allowed by Collector of Customs, Sialkot Dry Port after securing a post dated cheque of Rupees 2,000 million (31 December 2023: Rupees 7800 million) from the Company.
- 5.1.7** Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 29.831 million (31 December 2023: Rupees Nil) on imported material availed on the basis of consumption and export plans.
- 5.2 Commitments**
- 5.2.1** Contracts for capital expenditure are approximately of Rupees 0.521 million (31 December 2023: Rupees 1,444.646 million).
- 5.2.2** Letters of credit other than capital expenditure are of Rupees 334.831 million (31 December 2023: Rupees 2,996.048 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 monthly Ujrah payments under Ijarah are as follows:

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	(Rupees in thousand)	
Not later than one year	8,707	32,247
Later than one year and not later than five years	795	6,230
	<b>9,502</b>	<b>38,477</b>

5.2.4 Following represent commitments arising from short-term and low value leases recognized on a straight-line basis as expense under the practical expedients applied by the Company. The amount of future payments under these leases and the period in which these payments will become due are as follows:

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	(Rupees in thousand)	
Not later than 1 year	17,666	30,522

## 6 Fixed assets

Operating fixed assets	6.1	1,139,243	11,149,760
Capital work-in-progress	6.2	76,008	1,297,734
		<b>1,215,251</b>	<b>12,447,494</b>

### 6.1 Operating fixed assets

Opening net book value		11,149,760	8,800,881
Transferred to subsidiary companies pursuant to the Scheme	1		
Service Tyres (Private) Limited - subsidiary company		(8,717,781)	-
Service Retail (Private) Limited - subsidiary company		(1,310,305)	-
Add: Cost of additions during the period / year	6.1.1	95,629	3,496,942
Less: Book value of deletions / adjustment during the period / year	6.1.2	(12,973)	(34,390)
Less: Depreciation charged during the period / year		(65,087)	(1,113,673)
Closing net book value		<b>1,139,243</b>	<b>11,149,760</b>

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)	
<b>6.1.1 Cost of additions during the period / year</b>			
Buildings on freehold land		-	400,127
Plant and machinery		2,147	1,966,035
Furniture, fixture and fittings		2,514	74,679
Vehicles		65,103	357,481
Service equipment		21,074	404,147
Leasehold improvements		4,791	294,473
		<b>95,629</b>	<b>3,496,942</b>
<b>6.1.2 Book value of deletions / adjustment during the period / year</b>			
Cost of deletions / adjustment			
Freehold land - transferred to investment property		182	-
Plant and machinery		11,056	-
Furniture, fixture and fittings		-	577
Vehicles		7,074	20,597
Service equipment		3,178	16,248
Leasehold improvements		-	44,203
		<b>21,490</b>	<b>81,625</b>
Less: Accumulated depreciation		<b>(8,517)</b>	<b>(47,235)</b>
Book value of deletions / adjustment during the period / year		<b>12,973</b>	<b>34,390</b>
<b>6.2 Capital work-in-progress</b>			
Buildings on freehold land		4,272	91,122
Plant and machinery		57,003	298,231
Furniture, fixture and fittings		-	3,405
Advances against capital expenditures		-	364,912
Service equipment		-	497,435
Advances against purchase of vehicles		12,085	13,804
Leasehold improvements		2,648	28,825
		<b>76,008</b>	<b>1,297,734</b>
<b>7 Long term investments</b>			
Investments in subsidiary companies - at cost	7.1	13,625,900	7,559,766
Investment in associate (with significant influence) - under equity method	7.2	-	407,911
Investments in joint ventures	7.3	-	-
Other investment - at FVTOCI	7.4	48,089	61,279
		<b>13,673,989</b>	<b>8,028,956</b>

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)	
<b>7.1 Investments in subsidiary companies - at cost</b>			
<b>Service Industries Capital (Private) Limited - unquoted</b>			
74,082,700 (31 December 2023: 40,000,000) fully paid ordinary shares of Rupees 10 each Equity held 100% (31 December 2023: 100%)	1	740,827	400,000
<b>Service Global Footwear Limited - quoted</b>			
163,550,000 (31 December 2023: 163,550,000) fully paid ordinary shares of Rupees 10 each Equity held 79.43% (31 December 2023: 79.43%)		3,026,185	3,026,184
<b>Service Long March Tyres (Private) Limited - unquoted</b>			
316,539,659 (31 December 2023: 411,233,350) fully paid ordinary shares of Rupees 10 each Equity held 22.09% (31 December 2023: 32.09%)	1	3,179,430	4,126,367
<b>Service Tyres (Private) Limited - unquoted</b>			
666,724,300 (31 December 2023: Nil) fully paid ordinary shares of Rupees 10 each Equity held 100% (31 December 2023: Nil)	1	6,667,243	-
<b>Service Retail (Private) Limited - unquoted</b>			
500,000 (31 December 2023: Nil) fully paid ordinary shares of Rupees 10 each Equity held 100% (31 December 2023: Nil)	1	5,000	-
<b>SIL GULF FZE - unquoted</b>			
1 (31 December 2023: 1) fully paid share of UAE Dirhams 150,000 Equity held 100% (31 December 2023: 100%)		7,215	7,215
		<b>13,625,900</b>	<b>7,559,766</b>

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Note	(Rupees in thousand)	
<b>7.2 Investment in associate (with significant influence) - under equity method</b>		
<b>Speed (Private) Limited - unquoted</b>	1	
Nil (31 December 2023: 160,709) fully paid ordinary shares of Rupees 100 each	-	190,949
Equity held Nil (31 December 2023: 21.90%)		
<b>Share of post acquisition reserve</b>		
As at the beginning of the period / year	-	153,210
Share of post acquisition profit for the period / year	-	63,752
	-	216,962
	-	407,911

### 7.3 Investments in joint ventures

<b>S2 Power Limited - unquoted</b>		
24,000 (31 December 2023: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
<b>S2 Hydro Limited - unquoted</b>		
24,000 (31 December 2023: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
	480	480
Less : Impairment loss recognized	(480)	(480)
	-	-

### 7.4 Other investment - at FVTOCI

<b>TRG Pakistan Limited - quoted</b>		
775,000 (31 December 2023: 775,000) fully paid ordinary shares of Rupees 10 each	17,089	17,089
Fair value adjustment	31,000	44,190
	48,089	61,279

(Un-audited)	(Audited)
June	December
30, 2024	31, 2023
(Rupees in thousand)	

## 8 Advance income tax and prepaid levy - net

### Advance income tax - net

Advance income tax	780,210	1,386,085
Less: Provision for taxation	(725,845)	(1,317,108)
	54,365	68,977

### Prepaid levy - net

Prepaid levy	-	463,389
Less: Provision for levy	-	(225,502)
	-	237,887
	54,365	306,864

(Un-audited)		(Un-audited)	
Half Year Ended		Quarter Ended	
June	June	June	June
30, 2024	30, 2023	30, 2024	30, 2023
(Rupees in thousand)			

## 9 Revenue

### Revenue from contracts with customers:

#### Export:

- Sales	821,974	3,720,187	366,404	2,139,804
- Discounts, commissions etc.	(21,102)	(38,971)	(16,800)	(16,764)
	800,872	3,681,216	349,604	2,123,040

#### Local:

- Sales	2,456,197	28,698,258	1,412,495	16,055,351
- Processing income	17,290	55,541	-	47,876
- Sales tax	(374,780)	(4,484,560)	(210,194)	(2,132,688)
- Discounts, commissions etc.	(161,023)	(1,397,449)	(103,569)	(892,990)
	1,937,684	22,871,790	1,098,732	13,077,549
	2,738,556	26,553,006	1,448,336	15,200,589

### 9.1 Disaggregation of revenue from contracts with customers

In the following tables, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition:

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023

(Rupees in thousand)

### 9.1.1 Major product / service lines

#### Sales of footwear - net

Export sales	800,872	669,071	349,604	357,158
Local sales	1,813,845	6,666,705	1,037,473	3,751,603
Processing income	17,290	55,541	-	47,876
	<b>2,632,007</b>	7,391,317	<b>1,387,077</b>	4,156,637

#### Sales of tyres - net

Export sales	-	3,012,145	-	1,765,882
Local sales	-	14,568,842	-	8,421,274
	-	17,580,987	-	10,187,156

#### Sales of technical rubber products - net

Local sales	106,549	56,801	61,259	26,651
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#### Sales of spares parts for automobiles - net

Local sales	-	1,523,901	-	830,145
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	<b>2,738,556</b>	26,553,006	<b>1,448,336</b>	15,200,589
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## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

### 9.1.2 Primary geographical market:

	Footwear (Note 1)						Tyre (Note 1)						Others (Note 1)						Total		
	(Un-audited)						(Un-audited)						(Un-audited)						(Un-audited)		
	Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended		
	June 30, 2024	2023	June 30, 2024	2023	June 30, 2024	2023	June 30, 2024	2023	June 30, 2024	2023	June 30, 2024	2023	June 30, 2024	2023	June 30, 2024	2023	June 30, 2024	2023	June 30, 2024	2023	
Europe	718,657	383,994	342,898	176,974	-	346,649	-	252,786	-	-	-	-	-	718,657	730,643	342,898	429,760				
North America and South America	-	52,586	6,706	14,574	-	1,127,155	-	639,841	-	-	-	-	-	-	1,179,741	6,706	654,415				
Asia	75,510	212,939	-	165,610	-	1,531,431	-	869,332	-	-	-	-	-	75,510	1,744,370	-	1,034,942				
Australia	-	19,552	-	-	-	-	-	-	-	-	-	-	-	-	19,552	-	-	-			
Africa	6,705	-	-	-	-	6,910	-	3,923	-	-	-	-	-	6,705	6,910	-	3,923				
Pakistan	1,831,135	6,722,246	1,037,473	3,799,479	-	14,568,842	-	8,421,274	106,549	1,580,702	61,259	856,796	1,937,684	22,871,790	1,098,732	13,077,549					
	2,632,007	7,391,317	1,387,077	4,156,637	-	17,580,987	-	10,187,156	106,549	1,580,702	61,259	856,796	2,738,556	26,555,006	1,446,336	15,200,589					

(Rupees in thousand)

9.1.3 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.



## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)			
<b>10 Cost of sales</b>				
Raw materials consumed	<b>1,182,872</b>	14,035,809	<b>592,863</b>	7,391,735
Salaries, wages and other benefits	<b>463,846</b>	1,611,269	<b>237,667</b>	847,825
Stores and spares consumed	<b>58,535</b>	219,010	<b>29,151</b>	108,186
Packing materials consumed	<b>113,146</b>	463,115	<b>86,900</b>	257,771
Fuel and power	<b>75,079</b>	1,177,633	<b>37,035</b>	649,146
Insurance	<b>9,772</b>	30,385	<b>6,766</b>	14,424
Travelling and conveyance	<b>5,778</b>	27,971	<b>2,806</b>	16,366
Repair and maintenance	<b>25,543</b>	142,025	<b>13,594</b>	72,106
Entertainment	<b>773</b>	8,303	<b>405</b>	3,000
Depreciation	<b>37,229</b>	400,070	<b>19,191</b>	211,796
Provision for slow moving and obsolete inventory	<b>1,623</b>	55,739	<b>123</b>	49,543
Processing charges	<b>1,140</b>	4,400	<b>624</b>	4,400
Other manufacturing charges	<b>3,164</b>	59,515	<b>1,847</b>	25,998
	<b>1,978,500</b>	18,235,244	<b>1,028,972</b>	9,652,296
<b>Work in process:</b>				
Movement in work in process	<b>(113,176)</b>	(613,411)	<b>70,138</b>	(116,238)
Cost of goods manufactured	<b>1,865,324</b>	17,621,833	<b>1,099,110</b>	9,536,058
<b>Finished goods:</b>				
Movement in finished goods	<b>331,877</b>	2,661,645	<b>35,007</b>	2,094,017
	<b>2,197,201</b>	20,283,478	<b>1,134,117</b>	11,630,075

	Note	(Un-audited)	
		Half year ended	
		June 30, 2024	June 30, 2023
		(Rupees in thousand)	
<b>11</b>			
<b>Cash generated from operations</b>			
Profit before taxation		<b>120,340</b>	1,349,896
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets		<b>65,087</b>	516,434
Depreciation on right-of-use assets		<b>9,409</b>	250,346
Amortization on intangible assets		-	933
Provision for gratuity		<b>6,708</b>	26,084
Finance cost		<b>1,017,261</b>	2,210,878
Provision for workers' profit participation fund		<b>148</b>	67,681
Provision for workers' welfare fund		<b>2,456</b>	18,730
Provision for slow moving and obsolete inventory		<b>1,623</b>	55,739
Allowance for expected credit losses		-	29,411
Share of profit of equity accounted investee		-	(25,788)
Gain on termination of lease		-	(5,705)
Gain on disposal of fixed assets		<b>66</b>	(465)
Amortization of deferred income - Government grant		-	(66,180)
Exchange gain - net		<b>(13,254)</b>	(140,228)
Dividend income		<b>(817,750)</b>	(163,550)
Return on short term investments		<b>(13,858)</b>	(11,850)
Working capital changes	11.1	<b>(61,733)</b>	(751,483)
		<b>316,503</b>	3,360,883

### 11.1 Working capital changes

#### Decrease / (increase) in current assets:

Stores and spare parts	<b>10,811</b>	69,296
Stock in trade	<b>(13,206)</b>	(1,951,786)
Trade debts	<b>(280,926)</b>	(508,525)
Loans and advances	<b>(2,255)</b>	(833,129)
Prepayments	<b>(113,810)</b>	(55,672)
Other receivables	<b>(140,247)</b>	(93,658)

#### Increase in current liabilities:

Trade and other payables	<b>477,900</b>	2,621,991
	<b>(61,733)</b>	(751,483)

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

### 12 Segment information

The Company has two (31 December 2023: 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. Previously it also included Retail Undertaking.

Others: Manufacturing of different qualities of rubber products on specifications. Previously it also included Service Genuine Parts.

	Footwear (Note 1)		Tyre (Note 1)		Others (Note 1)		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Half Year Ended	June 30, 2023	Half Year Ended	June 30, 2023	Half Year Ended	June 30, 2023	Half Year Ended	June 30, 2023
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)							
<b>Sales</b>								
External								
- Export	800,872	669,071	-	3,012,145	-	-	800,872	3,681,216
- Local	1,813,845	6,666,705	-	14,568,842	106,549	1,580,702	1,920,394	22,816,249
- processing Income	17,290	55,541	-	-	-	-	17,290	55,541
	<b>2,632,007</b>	<b>7,391,317</b>	<b>-</b>	<b>17,580,987</b>	<b>106,549</b>	<b>1,580,702</b>	<b>2,738,556</b>	<b>26,553,006</b>
Cost of sales	(2,118,201)	(6,334,326)	-	(12,508,412)	(79,000)	(1,440,740)	(2,197,201)	(20,283,478)
Gross profit	513,806	1,056,991	-	5,072,575	27,549	139,962	541,355	6,269,528
Distribution cost	(183,765)	(1,419,742)	-	(655,409)	(3,000)	(61,033)	(186,765)	(2,136,184)
Administrative expenses	(214,396)	(755,564)	-	(142,532)	(1,000)	(17,290)	(215,396)	(915,386)
Profit/(loss) before taxation and levy and unallocated income and expenses	(398,161)	(2,175,306)	-	(797,941)	(4,000)	(78,323)	(402,161)	(3,051,570)
	115,645	(1,118,315)	-	4,274,634	23,549	61,639	139,194	3,217,958
<b>Unallocated income and expenses:</b>								
Other expenses							(2,669)	(152,417)
Other income							1,001,076	469,445
Share of profit of equity accounted investee - net of taxation							-	25,788
Finance cost							(1,017,261)	(2,210,878)
Levy							-	(1095,525)
Taxation							(73,305)	(446,965)
<b>Profit after taxation</b>							<b>47,035</b>	<b>793,406</b>

## 12.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre (Note 1)		Others (Note 1)		Total - Company	
	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2023	(Audited) December 31, 2023
<b>Total assets for reportable segment</b>	<b>5,238,993</b>	13,763,606	-	16,261,857	<b>634,000</b>	3,361,612	<b>5,872,993</b>	33,387,075
<b>Unallocated assets:</b>								
Intangible assets							5,648	7,510
Long term investments							13,673,989	8,028,956
Advance income tax and prepaid levy - net							54,365	306,864
Short term investments							182,256	883,430
Cash and bank balances							2,341,571	1,813,676
<b>Total assets as per unconsolidated condensed interim statement of financial position</b>							<b>22,130,822</b>	44,427,511
<b>Total liabilities for reportable segment</b>	<b>1,424,317</b>	9,306,470	-	2,930,948	<b>716,000</b>	480,479	<b>2,140,317</b>	12,717,897
<b>Unallocated liabilities</b>								
Long term financing - secured							6,273,696	11,014,638
Accrued mark-up							366,960	802,891
Short term borrowings							5,144,709	10,889,573
Deferred income - Government grant							-	684,333
<b>Total liabilities as per unconsolidated condensed interim statement of financial position</b>							<b>13,925,682</b>	36,109,332

(Rupees in thousand)

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

### 13. 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 unconsolidated condensed interim 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 June 2024 - Un-audited	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			

#### Financial assets

Financial asset at fair value through other comprehensive income	48,089	-	-	48,089
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Recurring fair value measurements at 31 December 2023 - Audited	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			

#### Financial assets

Financial asset at fair value through other comprehensive income	61,279	-	-	61,279
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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 half year ended 30 June 2024. 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 technique used to value financial instruments was use of quoted market prices.

#### 14 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:

(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023

(Rupees in thousand)

#### (i) Transactions:

##### Service Global Footwear Limited - Subsidiary company

Short term loan obtained	<b>130,000</b>	3,429,997	<b>130,000</b>	2,904,500
Interest on loans	<b>42,727</b>	235,750	<b>18,996</b>	135,540
Sale of goods	<b>185,831</b>	189,512	<b>105,109</b>	112,758
Sale of fixed assets	<b>6,275</b>	-	<b>6,275</b>	-
Purchase of goods	<b>205,859</b>	141,973	<b>33,617</b>	53,559
Loan repaid	<b>1,030,000</b>	2,936,818	<b>130,000</b>	2,788,818
Service provided	<b>17,290</b>	51,847	-	44,182
Expenses charged	<b>117,595</b>	127,954	<b>58,649</b>	68,986
Dividend received	<b>817,750</b>	163,550	<b>327,100</b>	163,550

##### Service Long March Tyres (Private) Limited - subsidiary company

Sale of goods	<b>507</b>	194,437	-	75,744
Service provided	<b>14,130</b>	18,000	<b>5,130</b>	9,000
Expenses charged	<b>47,154</b>	1,953	<b>25,199</b>	1,953
Purchase of goods	-	40,839	-	7,235
Fully paid ordinary shares acquired against right issue	<b>334,563</b>	-	-	-

##### Service Tyres (Private) Limited - subsidiary company

Purchase of fixed assets	<b>97</b>	-	-	-
Sale of fixed asset	<b>108</b>	-	-	-
License fee charged	<b>120,000</b>	-	<b>120,000</b>	-
Expenses charged	<b>412,139</b>	-	<b>222,478</b>	-
Fully paid ordinary shares acquired	<b>6,667,243</b>	-	<b>6,662,243</b>	-

## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Rupees in thousand)				
<b>Service Retail (Private) Limited - subsidiary company</b>				
Sale of goods	258,286	-	94,648	-
Expenses charged	84,063	-	34,445	-
Transfer in of long term financing	800,000	-	-	-
Fully paid ordinary shares acquired	5,000	-	-	-
<b>SIL GULF FZE - Subsidiary company</b>				
Sale of goods	-	200,429	-	125,472
<b>Dongguan Service Global Limited - Sub-subsidiary company</b>				
Purchase of goods	2,560	-	2,560	-
<b>Donations</b>				
Servis Foundation	-	18,168	-	6,914
Service Charitable Trust	-	3,457	-	2,302
Shalamar Hospital	-	8,702	-	6,011
<b>Key management personnel</b>				
Cash dividend paid	185,973	103,349	-	103,349
Remuneration	64,881	79,309	34,824	31,551
Meeting fee to directors - non executive	1,095	1,680	817	1,040
<b>Other related parties</b>				
Employees' retirement benefits	27,210	102,141	12,875	50,027
Cash dividend paid	22,662	11,331	-	11,331

**(ii) Period end balances**

As at 30 June 2024 (Un-audited)		
Subsidiary company	Other related parties	Total

(Rupees in thousand)

Employees' retirement benefits	-	59,040	59,040
Trade debts	69,267	-	69,267
Long term loan payable	350,000	-	350,000
License fee receivable	120,000	-	120,000

As at 31 December 2023 (Audited)		
Subsidiary company	Other related parties	Total

(Rupees in thousand)

Employees' retirement benefits		327,457	327,457
Trade debts	8,199	-	8,199
Other receivables	1,352	-	1,352
Long term loan payable	1,250,000	-	1,250,000
Trade and other payables	11,471	-	11,471

**15 Financial risk management**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2023.

**16 Date of authorization for issue**

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on August 24, 2024.

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

As stated in Note 1, Tyre Undertaking, Retail Undertaking and SPL Shares have been separated from Service Industries Limited with effect from 01 January 2024. Hence, comparative figures are not comparable.



## Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

As the Effective Date as per the duly approved Scheme is 01 January 2024, hence, the figures of unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and related notes thereto as reported in the unconsolidated condensed interim financial statements of the Company for the first quarter ended 31 March 2024 have been revised to give effect to the Scheme and resultantly the figures of unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and related notes thereto for the quarter ended 30 June 2024 have been arrived at using those revised figures.

### 18 General

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



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Arif Saeed  
(Chief Executive)



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Omar Saeed  
(Director)



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Badar Ul Hassan  
(Chief Financial Officer)

## Group Directors' 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 the Six months ended June 30, 2024.

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, Dongguan Service Global Limited, wholly owned subsidiary company of Service Global Footwear Limited, Service Tyres (Private) Limited, wholly owned subsidiary company of Service Industries Limited, Service Retail (Private) Limited, wholly owned subsidiary company of Service Industries Limited and SLM International Tyres Trading FZE, wholly owned subsidiary company of Service Long March Tyres (Private) Limited.

### Service Industries Limited

The Director Report providing a commentary on the performance of Service Industries Limited for the six months ended June 30, 2024 has been presented separately. Service Industries Limited has annexed its consolidated condensed Interim Financial Statements along with its unconsolidated 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 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 79.43% (2023: 79.43%) equity stake in Service Global Footwear Limited. The Director Report providing a commentary on the performance of Service Global Footwear Limited for the six months ended June 30, 2024 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 22.09% (2023:32.09%), shareholding of Service Global Footwear Limited in Service Long March Tyres (Private) Limited is 18.91% (2023: 18.91%) and shareholding of Service Tyres (Private) Limited in Service Long March Tyres (Private) Limited is 10% (2023: Nil).

The Company and its subsidiaries i.e., Service Global Footwear Limited - subsidiary company and Service Tyres (Private) Limited - wholly owned 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.

### **Service Tyres (Private) Limited**

Service Tyres (Private) Limited was incorporated as a private limited company on 21 December 2023 in Pakistan under the Companies Act, 2017. Its registered office is situated at Servis House, 2 - Main Gulberg, Lahore. The principal line of business of Service Tyres (Private) Limited is to carry on the business of manufacturing, trading, sale, marketing, retail, wholesale, import and export of all types of tyres, tubes, spare parts and allied products for bicycles, motorcycles, scooters, rickshaws, automobiles, aircrafts, buses, trucks, cars, tractors, trolleys and other vehicles. The issued, subscribed and paid-up share capital of Service Tyres (Private) Limited is Rupees 6,667,243,000 divided into 666,724,300 ordinary shares of Rupees 10 each. Service Industries Limited holds 100% shareholding of Service Tyres (Private) Limited.

### **Service Retail (Private) Limited**

Service Retail (Private) Limited was incorporated as a private limited company on 21 December 2023 in Pakistan under the Companies Act, 2017. Its registered office is situated at Servis House, 2 - Main Gulberg, Lahore. The principal line of business of Service Retail (Private) Limited is to carry on the business of manufacturing, sale, trading, retail, wholesale, marketing, import and export of footwear, bags, apparel, accessories and other items / products. The issued, subscribed and paid-up share capital of Service Retail (Private) Limited is Rupees 5,000,000 divided into 500,000 ordinary shares of Rupees 10 each. Service Industries Limited holds 100% shareholding of Service Retail (Private) Limited.

### SLM International Tyres Trading FZE

SLM International Tyres Trading FZE, a wholly owned subsidiary of Service Long March Tyres (Private) Limited, is incorporated on June 27, 2024 in United Arab Emirates under the applicable corporate regulatory requirements of the jurisdiction. The principal object of the Company is to engage in trading of Tyres & Rims and Auto Spare Parts & Components. The commercial address of the Company is FZJOA1001 Jebel Ali Freezone, Dubai, United Arab Emirates.

For and on Behalf of the Board



Arif Saeed  
(Chief Executive)

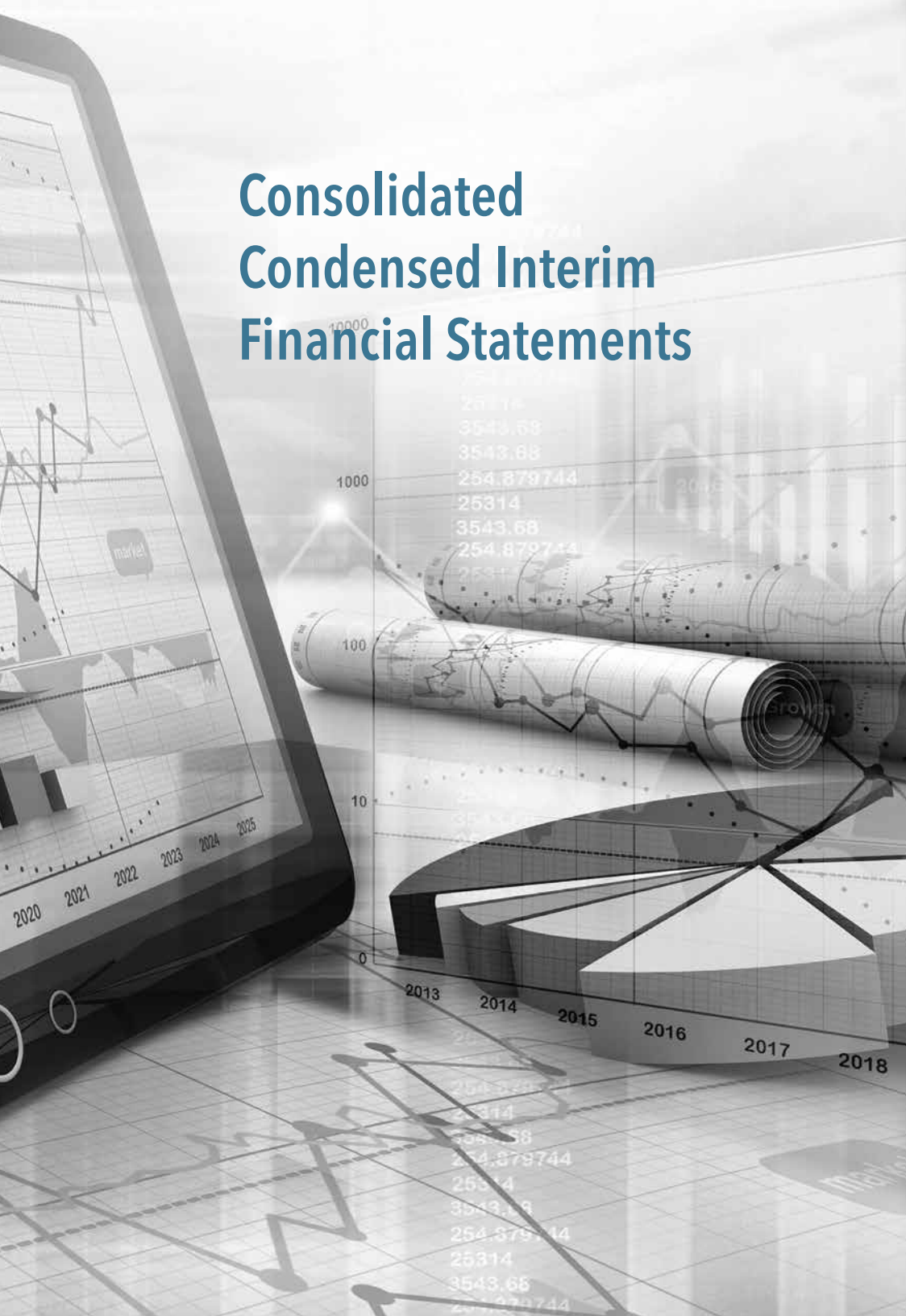


Omar Saeed  
(Director)

August 24, 2024  
Lahore.



# Consolidated Condensed Interim Financial Statements

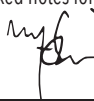


# Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2024

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital 100,000,000 (31 December 2023: 100,000,000) ordinary shares Rupee 10 each	<b>1,000,000</b>	1,000,000
Issued, subscribed and paid up share capital	<b>469,874</b>	469,874
Reserves	<b>12,797,225</b>	10,669,107
Non-controlling interest	<b>10,132,790</b>	7,830,617
<b>Total equity</b>	<b>23,399,889</b>	18,969,598
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	<b>13,136,220</b>	15,357,142
Long term deposits	<b>132,030</b>	85,024
Lease liabilities	<b>5,151,164</b>	5,037,023
Employees' retirement benefit	<b>504,859</b>	503,128
Deferred liabilities	<b>2,993,182</b>	2,147,134
	<b>21,917,455</b>	23,129,451
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>13,871,936</b>	10,974,549
Accrued mark-up	<b>1,106,398</b>	1,366,720
Short term borrowings	<b>27,415,834</b>	26,272,346
Current portion of non-current liabilities	<b>3,827,701</b>	4,098,449
Dividend payable	<b>-</b>	127,103
Unclaimed dividend	<b>54,008</b>	48,727
	<b>46,275,877</b>	42,887,894
Liabilities directly associated with the assets held for sale	<b>884,500</b>	845,629
<b>Total liabilities</b>	<b>69,077,832</b>	66,862,974
Contingencies and commitments	5	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>92,477,721</b>	85,832,572

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



Arif Saeed  
(Chief Executive)

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	6	38,191,651	36,297,947
Right-of-use assets		4,452,655	4,521,384
Intangible assets		6,575	7,510
Long term investments	7	717,565	708,562
Long term loans to employees		41,282	28,589
Long term security deposits		266,416	251,106
		<b>43,676,144</b>	<b>41,815,098</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		1,351,584	997,685
Stock-in-trade		23,001,772	21,052,081
Trade debts		12,091,154	9,717,394
Loans and advances		2,131,072	1,925,257
Trade deposits and prepayments		410,068	271,663
Other receivables		3,410,390	2,710,660
Advance income tax - net of provision for taxation		270,452	514,325
Accrued interest		22,971	23,419
Short term Investments		182,256	883,430
Cash and bank balances		5,628,167	5,633,128
		<b>48,499,886</b>	<b>43,729,042</b>
Assets held for sale		301,691	288,432
		<b>48,801,577</b>	<b>44,017,474</b>
<b>TOTAL ASSETS</b>		<b>92,477,721</b>	<b>85,832,572</b>



Omar Saeed  
(Director)



Badar Ul Hassan  
(Chief Financial Officer)



## Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the half year ended June 30, 2024

	Note	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Rupees in thousand)					
<b>Continuing operations</b>					
Sales - net	8	61,037,978	43,237,479	31,597,074	24,110,146
Cost of sales	9	(45,427,970)	(34,002,707)	(23,302,946)	(18,745,023)
<b>Gross profit</b>		<b>15,610,008</b>	<b>9,234,771</b>	<b>8,294,128</b>	<b>5,365,122</b>
Distribution cost		(4,091,374)	(2,849,523)	(2,135,316)	(1,668,113)
Administrative expenses		(1,718,484)	(1,328,270)	(882,391)	(684,231)
Other expenses		(517,236)	(206,602)	(232,333)	(127,765)
		<b>(6,327,094)</b>	<b>(4,384,395)</b>	<b>(3,250,040)</b>	<b>(2,480,109)</b>
		<b>9,282,914</b>	<b>4,850,376</b>	<b>5,044,088</b>	<b>2,885,013</b>
Other income		477,007	514,251	296,720	210,704
<b>Profit from operations</b>		<b>9,759,921</b>	<b>5,364,627</b>	<b>5,340,808</b>	<b>3,095,717</b>
Finance cost		(3,552,188)	(3,307,017)	(1,821,945)	(1,866,116)
		<b>6,207,733</b>	<b>2,057,610</b>	<b>3,518,863</b>	<b>1,229,601</b>
Share of profit in equity accounted investee - net of taxation		22,188	42,350	12,100	14,641
<b>Profit before taxation and levy</b>		<b>6,229,921</b>	<b>2,099,960</b>	<b>3,530,963</b>	<b>1,244,242</b>
Levy		(48,656)	(236,769)	13,501	(141,220)
<b>Profit before taxation</b>		<b>6,181,265</b>	<b>1,863,191</b>	<b>3,544,464</b>	<b>1,103,022</b>
Taxation		(1,904,988)	(595,324)	(1,508,846)	(402,814)
<b>Profit after taxation from continuing operations</b>		<b>4,276,277</b>	<b>1,267,867</b>	<b>2,035,618</b>	<b>700,208</b>
<b>Discontinued operations</b>					
(Loss)/ profit after taxation from discontinued operations		-	(32,093)	-	2,080
<b>Profit after taxation</b>		<b>4,276,277</b>	<b>1,235,774</b>	<b>2,035,618</b>	<b>702,288</b>
<b>Share of profit attributable to:</b>					
Equity holders of the holding Company		2,625,189	1,051,049	1,413,994	559,674
Non-controlling interest		1,651,088	184,725	621,624	142,614
		<b>4,276,277</b>	<b>1,235,774</b>	<b>2,035,618</b>	<b>702,288</b>
Earnings per share - basic and diluted (Rupees)		<b>55.87</b>	22.37	<b>30.09</b>	11.91
Earnings per share from continuing operations - basic and diluted (Rupees)		<b>55.87</b>	22.78	<b>30.09</b>	11.88

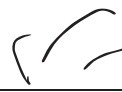
The annexed notes form an integral part of these consolidated condensed interim financial statements.



Arif Saeed  
(Chief Executive)



Omar Saeed  
(Director)



Badar Ul Hassan  
(Chief Financial Officer)

## Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year ended June 30, 2024

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)			
Profit after taxation	<b>4,276,277</b>	1,235,774	<b>2,035,618</b>	702,288
<b>Other comprehensive (loss) / income</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Surplus arising on remeasurement of investment at fair value through other comprehensive income - net of tax	<b>(13,191)</b>	(11,450)	<b>(5,549)</b>	(9,605)
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign subsidiary	<b>(27,869)</b>	(188,624)	<b>9,540</b>	(40,028)
<b>Other comprehensive (loss) / income for the period - net of tax</b>	<b>(41,060)</b>	(200,074)	<b>3,991</b>	(49,633)
<b>Total comprehensive income for the period</b>	<b>4,235,217</b>	1,035,700	<b>2,039,609</b>	652,655
<b>Share of total comprehensive income attributable to:</b>				
Equity holders of the holding company	<b>2,594,829</b>	925,801	<b>1,414,146</b>	523,693
Non-controlling interest	<b>1,640,388</b>	109,899	<b>625,463</b>	128,962
	<b>4,235,217</b>	1,035,700	<b>2,039,609</b>	652,655

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



Arif Saeed  
(Chief Executive)



Omar Saeed  
(Director)



Badar Ul Hassan  
(Chief Financial Officer)

# Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended June 30, 2024

	Attributable to the equity holders of the holding company											Non-controlling interest	TOTAL EQUITY				
	Capital Reserves						REVENUE RESERVES							Shareholders' Equity			
	Share Capital	Fair value reserve FY/OCI investment	Share premium	Share of share premium reserve held by equity accounted investee	Exchange transition reserve	Reserve pursuant to the Scheme	Share options reserve	Share of employees' share compensation reserve held by equity accounted investee	Sub total	General reserve	Un-appropriated profit				Sub total		
Rupees in thousand																	
<b>Balance as at 31 December 2022 - audited</b>	469,874	102,730	55,892	1,368,228	44,395	54,548	927,163	19,962	307	2,573,245	1,558,208	4,117,077	5,675,285	8,248,530	8,718,404	6,507,739	15,299,143
Transactions with owners:																	
Final dividend for the year ended 31 December 2022 @ Rupees 1 per share - Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(41,538)	(41,538)
Final dividend for the year ended 31 December 2022 @ Rupees 5 per share - Holding	-	-	-	-	-	-	-	-	-	-	-	(234,937)	(234,937)	(234,937)	(234,937)	(234,937)	(234,937)
Proceeds against shares to be issued under employee's share option scheme	-	-	-	-	-	-	-	-	-	-	-	(234,937)	(234,937)	(234,937)	(234,937)	(41,538)	(276,475)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,300	8,300
Profit for the half year ended 30 June 2023	-	-	-	-	-	-	-	-	-	-	-	1,051,049	1,051,049	1,051,049	1,051,049	184,725	1,235,774
Other comprehensive (loss) for the half year ended 30 June 2023	-	-	(11,450)	-	-	(113,798)	-	-	-	(125,248)	-	(125,248)	(125,248)	(125,248)	(74,826)	(74,826)	(200,074)
Total comprehensive income for the half year ended 30 June 2023	-	-	(11,450)	-	-	(113,798)	-	-	-	(125,248)	-	(125,248)	(125,248)	(125,248)	925,801	109,899	1,035,700
<b>Balance as at 30 June 2023 - unaudited</b>	469,874	102,730	44,442	1,368,228	44,395	(592,230)	927,163	19,962	307	2,447,997	1,558,208	4,933,189	6,491,397	8,939,394	9,409,268	6,657,400	16,066,668
<b>Balance as at 31 December 2023 - audited</b>	469,874	102,730	34,247	1,383,863	44,395	(39,891)	927,163	711	307	2,453,325	1,558,208	6,657,374	8,215,582	10,669,107	11,138,981	7,830,617	18,969,598
Transactions with owners:																	
Final dividend for the year ended 31 December 2023 @ Rupees 2 per share - Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(84,734)	(84,734)
Final dividend for the year ended 31 December 2023 @ Rupees 10 per share - Holding	-	-	-	-	-	-	-	-	-	-	-	(469,875)	(469,875)	(469,875)	(469,875)	(469,875)	(469,875)
Proceeds against shares to be issued under employee's share option scheme	-	-	-	-	-	-	-	-	-	-	-	(469,875)	(469,875)	(469,875)	(469,875)	(84,734)	(554,609)
Recognition of share options reserve	-	-	-	-	-	-	-	3,164	-	-	-	3,164	3,164	3,164	3,164	820	3,984
Share deposit money	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(95)	(95)
Non controlling interest's investment in subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	742,127	742,127
Profit/ (loss) for the half year ended 30 June 2024	-	-	-	-	-	-	-	-	-	-	-	2,625,189	2,625,189	2,625,189	2,625,189	1,651,088	4,276,277
Other comprehensive (loss) for the half year ended 30 June 2024	-	-	(13,191)	-	-	(17,169)	-	-	-	(30,360)	-	(30,360)	(30,360)	(30,360)	(30,360)	(10,700)	(41,060)
Total comprehensive income for the half year ended 30 June 2024	-	-	(13,191)	-	-	(17,169)	-	-	-	(30,360)	-	(30,360)	(30,360)	(30,360)	2,594,829	1,640,388	4,235,217
<b>Balance as at 30 June 2024 - unaudited</b>	469,874	102,730	21,056	1,383,863	44,395	(57,060)	927,163	3,875	307	2,423,165	1,558,208	8,612,688	10,370,896	12,797,225	13,627,099	10,132,790	23,399,889

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



Arif Saeed  
(Chief Executive)



Omar Saeed  
(Director)



Badar Ul Hassan  
(Chief Financial Officer)

## Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended June 30, 2024

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	(Rupees in thousand)	
<b>Cash flow from operating activities</b>		
Profit before taxation from continued operations	6,229,921	2,099,960
Loss before taxation from discontinued operations	-	(32,093)
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	1,697,958	1,418,238
Provision for gratuity	66,323	44,679
Finance cost	3,552,188	3,307,017
Amortisation of deferred income	(71,513)	(66,180)
Provision for workers' profit participation fund	132,212	92,183
Interest on workers' profit participation fund	1,245	1,270
Provision for workers' welfare fund	69,518	32,532
Provision for slow moving and obsolete inventory	51,151	29,206
Provision against doubtful advances to suppliers	2,650	-
Employee share option expense	3,984	-
Allowance for expected credit losses	50,726	30,423
Gain on termination of lease	3,102	-
Profit on saving accounts and term deposit receipts	(14,768)	(11,968)
Gain on disposal of fixed assets	(1,842)	(560)
Share of profit in equity accounted investee	(22,188)	(42,350)
Operating profit before working capital changes	11,750,667	6,902,356
<b>Working capital changes</b>		
<b>Increase in current assets:</b>		
Stores, spares and loose tools	(353,960)	51,851
Stock-in-trade	(2,001,980)	(519,239)
Trade debts	(2,431,552)	(3,299,279)
Loans, advances, trade deposits, prepayments and other receivables	(1,047,097)	(1,912,818)
	(5,834,589)	(5,679,484)
Increase in trade and other payables	2,732,934	3,498,563
	(3,101,655)	(2,180,922)
<b>Cash generated from operations</b>	8,649,012	4,721,434
Finance cost paid	(3,812,510)	(2,732,637)
Income tax paid	(692,144)	(2,013,880)
Employees' retirement benefits paid	(64,592)	(24,038)
Long term loans - net	(12,693)	3,893
Long term deposits - net	(15,310)	(31,232)
<b>Net cash generated from / (used in) operating activities</b>	4,051,763	(76,459)

## Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended June 30, 2024

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	(Rupees in thousand)	
<b>Cash flows from investing activities</b>		
Capital expenditure on operating fixed assets - net	(3,257,019)	(3,005,033)
Intangible asset acquired	(7,137)	(2,390)
Proceeds from disposal of fixed assets	24,432	5,452
Interest received	448	(1,071)
Short term investments	715,936	169,844
<b>Net cash used in investing activities</b>	<b>(2,523,339)</b>	<b>(2,833,198)</b>
<b>Cash flows from financing activities</b>		
Long term financing - net	(2,453,268)	3,466,473
Short term borrowings - net	1,143,488	973,907
Repayment of lease liabilities	(311,867)	(346,435)
Proceeds against share capital to be issued under employees' share option scheme	4,167	8,300
Share deposit money	(595)	-
Investment in Subsidiary by NCI	742,127	-
Dividend paid	(676,431)	(273,898)
Long term deposits - net	47,006	48,105
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,505,373)</b>	<b>3,876,452</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(27,869)</b>	<b>(188,624)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(4,818)</b>	<b>778,171</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,636,237</b>	<b>2,045,895</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,631,419</b>	<b>2,824,065</b>

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



Arif Saeed  
(Chief Executive)



Omar Saeed  
(Director)



Badar Ul Hassan  
(Chief Financial Officer)

## Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

### 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 Tyres (Private) Limited
- Service Retail (Private) Limited
- SLM International Tyres Trading FZE

#### 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 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 20.57% (2023:20.57%).

#### 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% (2023: 40%).

## Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

### 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 52.89% (2023: 52.89%).

### 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 under the Companies Act, 2017. Its registered office is situated at Servis House, 2 - Main Gulberg, Lahore. The principal line of business of Service Tyres (Private) Limited shall be to carry on the business of manufacturing, trading, sale, marketing, retail, wholesale, import and export of all types of tyres, tubes, spare parts and allied products for bicycles, motorcycles, scooters, rickshaws, automobiles, aircrafts, buses, trucks, cars, tractors, trolleys and other vehicles.

### Service Tyres (Private) Limited

Service Tyres (Private) Limited was incorporated as a private limited company on 21 December 2023 in Pakistan under the Companies Act, 2017. Its registered office is situated at Servis House, 2 - Main Gulberg, Lahore. The principal line of business of Service Tyres (Private) Limited shall be to carry on the business of manufacturing, sale, marketing, retail, wholesale, import and export of footwear, bags, apparel, accessories and other items / products.

### Service Retail (Private) Limited

Service Retail (Private) Limited was incorporated as a private limited company on 21 December 2023 in Pakistan under the Companies Act, 2017. Its registered office is situated at Servis House, 2 - Main Gulberg, Lahore. The principal line of business of Service Retail (Private) Limited shall be to carry on the business of manufacturing, sale, trading, retail, wholesale, marketing, import and export of footwear, bags, apparel, accessories and other items / products.

### SLM International Tyres Trading FZE

SLM International Tyres Trading FZE, a wholly owned subsidiary of Service Long March Tyres (Private) Limited, is incorporated on June 27, 2024 in United Arab Emirates under the applicable corporate regulatory requirements of the jurisdiction. The principal object of the Company is to engage in trading of Tyres & Rims and Auto Spare Parts & Components. The commercial address of the Company is FZJOA1001 Jebel Ali Freezone, Dubai, United Arab Emirates.

### Scheme of Compromises, Arrangement and Reconstruction

The Board of Directors of the Holding Company in their meeting held on 27 February 2024 approved the Scheme of Arrangement between the Holding Company and its members and Service Tyres (Private) Limited – wholly owned

subsidiary company and its members and Service Retail (Private) Limited – wholly owned subsidiary company and its members and Service Industries Capital (Private) Limited – wholly owned subsidiary company and its members (in terms of provisions of sections 279 to 283 and all other enabling provisions of the Companies Act, 2017) [hereinafter referred to as the 'Scheme']. The principal object of the Scheme is to provide for the reconstruction of the Holding Company by:

- (i) the separation of the Transferred Assets and Undertakings [the Tyre Undertaking (inclusive of 128,150,000 shares of Service Long March Tyres (Private) Limited), the Retail Undertaking and Speed (Private) Limited (SPL) Shares] inclusive of all assets, rights, liabilities and obligations of the Holding Company (except for the Retained Assets and Undertakings) pertaining thereto;
- (ii) the transfer and vesting of the Tyre Undertaking into Service Tyres (Private) Limited;
- (iii) the transfer and vesting of the Retail Undertaking into Service Retail (Private) Limited; and
- (iv) the transfer and vesting of the SPL Shares into Service Industries Capital (Private) Limited.

The Scheme has been sanctioned by the Honorable Lahore High Court, Lahore vide its Order dated 12 June 2024 (Sanction Date) [certified true copy of the Order received on 28 June 2024 and filed with the Registrar of Companies on 28 June 2024], Effective Date as per the proposed Scheme is 01 January 2024.

## 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.



## Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

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**

a) These consolidated 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 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 2023.

b) The consolidated condensed 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 consolidated condensed 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 consolidated condensed 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 consolidated condensed 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, 2023.

## 5 Contingencies and commitments

### 5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited consolidated annual published financial statements of the Company for the year ended 31 December 2023 except for the following:

- 5.1.1** Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 1,610.110 million (2023: Rupees 1,180.514 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 3,230.740 million (2023: Rupees 3,137.884 million).
- 5.1.3** On 07 December 2022, Additional Commissioner Inland Revenue (ACIR) amended assessment for tax year 2019 and raised a tax demand of Rupees 500.278 million on the basis of re-assessment of certain issues regarding tax credits, withholding of advance income tax and deductible allowances. The Holding Company filed rectification application and an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)]. CIR(A), in connection with the appeal, decided the case in favour of the Holding Company by deleting the demand in respect of deduction from income from business and annulling the matter with respect to tax credit and withholding of advance income tax for fresh consideration by the assessing officer. The management, based on the advice of the legal counsel, is confident of favourable outcome of this matter.
- 5.1.4** On 11 December 2018, Deputy Commissioner Inland Revenue (DCIR) issued show cause notice against the purchases made by Holding Company from the suspended / blacklisted units, inadmissible input tax claimed, inadmissible input tax claimed on the packing material and non payment of the further tax. After consideration of the Company's reply, DCIR imposed sales tax amounting to Rupees 516.202 million with default surcharge to be calculated at the time of payment of the tax. The Holding Company being aggrieved with the decision filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). ATIR through its order dated 23 January 2023 remanded the case back to the DCIR. During the remand back proceedings, DCIR charged sales tax to the tune of Rupees 132.061 million primarily on the grounds of the inadmissible input tax on purchases. The Holding Company being aggrieved filed an appeal before ATIR. The management, based on the advice of the legal counsel, is confident of favourable outcome of this matter.
- 5.1.5** On 30 November 2022, DCIR completed assessment proceedings and passed an order under section 11(2) of the Sales Tax Act, 1990 demanding sales tax amounting to Rupees 167.535 million along with penalty amounting to Rupees 8.377 million against claimed input tax for the tax periods from July 2020 to November 2021. The Holding Company filed appeal on 29 December 2022, against foregoing assessment proceedings before CIR (Appeals), who has confirmed the order of DCIR. The Holding Company filed an appeal on 04 February 2023, before ATIR. ATIR, in connection with the appeal, remanded the issue to the assessing officer for fresh consideration through order dated 04 September 2023. During the remand back proceedings, the assessing officer through order dated 28 March 2024 decided the case against the Holding Company. The Holding Company being aggrieved filed an appeal before ATIR which is decided subsequent to the reporting period in totality in favour of the Company through order dated 01 July 2024.
- 5.1.6** DCIR concluded sales tax audit for the periods from January 2020 to December 2020 and charged sales tax to the tune of Rupees 240.940 million through the order dated 28 June 2024 on the grounds of inadmissible input tax

## Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

on purchase, suppression of sales with the figures as per the financial statements and other issues. The Holding Company has filed an appeal before the ATIR which is pending adjudication. The management, based on the advice legal counsel, is confident of favourable outcome.

**5.1.7** The Deputy Commissioner Inland Revenue (DCIR) initiated the proceedings under section 4C of the Income Tax Ordinance, 2001 through a show cause notice dated 28 February 2024. Service Global Footwear Limited - Subsidiary Company's stance was adequately explained to the tax authorities through online reply dated 13 May 2024, filed on Federal Board of Revenue's 'IRIS' portal. Following the submissions of Company reply the DCIR passed an order dated 24 June 2024 raising an income tax demands of Rupees 113.195 million on account of super tax. Service Global Footwear Limited - Subsidiary Company has contested this order before the Appellate Tribunal Inland Revenue (ATIR). The Subsidiary Company has already made the provision of Rupees 98.692 million in these condensed interim financial statements. The management, based on advice of the legal counsel, is confident of favourable outcome of this matter.

**5.1.8** The Holding Company is availing Export Facilitation Scheme (EFS) License issued by Collector of Custom, Sialkot Dry Port with a face value of Rupees 2,000 million (31 December 2023: Rupees 7800 million) for the duty and tax free imports of plant, machinery, equipment, component parts, raw material, packing material and accessories. The said limit was allowed by Collector of Customs, Sialkot Dry Port after securing a post dated cheque of Rupees 2,000 million (31 December 2023: Rupees 7800 million) from the Holding Company.

**5.1.9** Service Tyres (Private) Limited - Subsidiary Company is availing Export Facilitation Scheme (EFS) License issued by Collector of Custom, Sialkot Dry Port with a face value of Rupees 5,800 million for the duty and tax free imports of plant, machinery, equipment, component parts, raw material, packing material and accessories. The said limit was allowed by Collector of Customs, Sialkot Dry Port after securing a post dated cheque of Rupees 5,800 million from the Subsidiary Company.

### 5.2 Commitments

**5.2.1** Contracts for capital expenditure are approximately of Rupees 1,015.455 million (2023: Rupees 281.497 million).

**5.2.2** Letters of credit other than capital expenditure are of Rupees 6,804.994 million (2022: Rupees 6,417.016 million).

**5.2.3** Outstanding foreign currency forward contracts are of Rupees 2,515.756 million (2023: 3,194.370 million)

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

	(Un-audited)	(Audited)
	June	December
	30, 2024	31, 2023
Note	(Rupees in thousand)	
Not later than one year	29,295	43,173
Later than one year and not later than five years	1,699	12,207
	<b>30,994</b>	<b>55,380</b>

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)	
<b>6. Fixed assets</b>			
Operating fixed assets	6.1	36,546,087	34,585,560
Capital work-in-progress		1,645,564	1,712,387
		<b>38,191,651</b>	<b>36,297,947</b>

<b>6.1 Operating fixed assets</b>			
Opening net book value		34,585,560	30,509,561
Add: Additions during the period / year	6.2	3,338,393	6,585,932
		<b>37,923,953</b>	<b>37,095,493</b>
Less: Disposals during the period / year (at book value)	6.2	(33,862)	(46,485)
		<b>37,890,091</b>	<b>37,049,008</b>
Currency retranslation		(487)	(79)
		<b>37,889,604</b>	<b>37,048,929</b>
Less: Depreciation charged during the period / year		(1,343,517)	(2,463,369)
		<b>36,546,087</b>	<b>34,585,560</b>

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

	Additions		Disposals - NBV	
	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	(Rupees in thousand)			
Building on leasehold land	-	512,274	-	-
Building on freehold land	380,862	838,163	-	-
Plant and machinery	1,367,964	3,411,263	6,464	285
Furniture, fixture and fittings	52,046	99,268	5	477
Vehicles	325,586	588,002	24,356	26,921
Service equipments	1,081,609	841,444	3,037	5,620
Leasehold improvements	130,326	295,518	-	13,182
	<b>3,338,393</b>	<b>6,585,932</b>	<b>33,862</b>	<b>46,485</b>

## Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)	
<b>7. Long term investments</b>			
Investment in associate (with significant influence) - under equity method	7.1	<b>669,476</b>	647,283
Investment in joint ventures - at cost	7.2	-	-
Other investment - at FVTOCI	7.3	<b>48,089</b>	61,279
		<b>717,565</b>	708,562

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

#### Speed (Private) Limited

263,909 (2023: 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	<b>304,757</b>	200,060
Share of post acquisition profit for the period / year	<b>22,193</b>	104,697
	<b>326,950</b>	304,757
	<b>669,476</b>	647,283

#### JOMO Technologies (Private) Limited

46,666,667 (2023: 46,666,667) fully paid ordinary shares of Rupees 1 each	<b>80,000</b>	80,000
As at the beginning of the period / year	<b>(80,000)</b>	(80,000)
	<b>(80,000)</b>	(80,000)
	-	-
	<b>669,476</b>	647,283

### 7.2 Investment in joint ventures - at cost

#### S2 Power Limited

24,000 (2023: 24,000) fully paid ordinary shares of Rupees 10 each **240** 240

#### S2 Hydro Limited

24,000 (2023: 24,000) fully paid ordinary shares of Rupees 10 each **240** 240

Impairment loss recognized against investments **(480)** (480)

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Note	(Rupees in thousand)	
<b>7.3 Other investment - at FVTOCI</b>		
<b>TRG Pakistan Limited</b>		
775,000 (2023: 775,000) fully paid ordinary shares of Rupees 10 each	<b>17,089</b>	17,089
Fair value adjustment	<b>31,000</b>	44,190
	<b>48,089</b>	61,279

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)			
<b>8. Sales of footwear - net</b>				
Export sales	<b>8,799,682</b>	7,976,271	<b>4,064,412</b>	4,049,463
Local sales	<b>7,770,025</b>	6,452,165	<b>4,017,672</b>	3,656,072
	<b>16,569,707</b>	14,428,436	<b>8,082,084</b>	7,705,535
<b>Sales of tyres - net</b>				
Export sales	<b>9,603,689</b>	5,699,109	<b>4,947,891</b>	3,825,295
Local sales	<b>33,145,392</b>	21,529,232	<b>17,682,530</b>	11,722,520
	<b>42,749,081</b>	27,228,341	<b>22,630,421</b>	15,547,815
<b>Sales of technical rubber products - net</b>				
Local sales	<b>106,549</b>	56,801	<b>61,259</b>	26,651
<b>Sales of spare parts for automobiles - net</b>				
Local sales	<b>1,612,641</b>	1,523,901	<b>823,310</b>	830,145
	<b>61,037,978</b>	43,237,479	<b>31,597,074</b>	24,110,146

## Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)			
<b>9. Cost of sales</b>				
Raw materials consumed	<b>32,965,286</b>	24,165,148	<b>16,410,223</b>	12,666,364
Salaries, wages and other benefits	<b>3,680,382</b>	3,336,942	<b>1,893,225</b>	1,724,245
Stores and spares consumed	<b>403,393</b>	465,059	<b>180,081</b>	258,318
Packing materials consumed	<b>991,321</b>	835,197	<b>518,428</b>	450,077
Fuel and power	<b>2,444,143</b>	1,890,093	<b>1,236,891</b>	1,030,073
Insurance	<b>49,087</b>	39,220	<b>27,654</b>	(1,229)
Travelling	<b>57,180</b>	53,507	<b>29,170</b>	6,244
Repair and maintenance	<b>213,030</b>	161,044	<b>104,690</b>	38,293
Entertainment	<b>10,159</b>	9,027	<b>6,129</b>	1,140
Depreciation	<b>1,156,984</b>	1,035,117	<b>583,629</b>	533,850
Provision for slow moving and obsolete inventory	<b>4,380</b>	29,206	<b>16,464</b>	26,429
Other manufacturing charges	<b>851,628</b>	373,842	<b>445,486</b>	299,712
	<b>42,826,973</b>	32,393,402	<b>21,452,070</b>	17,033,516
<b>Work-in-process:</b>				
Movement in work in process	<b>(520,463)</b>	(556,068)	<b>308,612</b>	(40,987)
Cost of goods manufactured	<b>42,306,510</b>	31,837,334	<b>21,760,682</b>	16,992,529
<b>Finished goods:</b>				
Movement in finished goods	<b>3,121,460</b>	2,165,373	<b>1,542,264</b>	1,752,494
	<b>45,427,970</b>	34,002,707	<b>23,302,946</b>	18,745,023

## Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

### 10. Segment information

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

Footwear

Tyre

Others

Purchase, manufacturing and sale of different qualities of footwear.

Manufacturing of different qualities of tyres and tubes.

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

	Footwear		Tyre		Others		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended
	June	June	June	June	June	June	June	June
	30, 2024	30, 2023	30, 2024	30, 2023	30, 2024	30, 2023	30, 2024	30, 2023
<b>Sales</b>	<b>16,569,707</b>	14,428,436	<b>42,749,081</b>	27,228,341	<b>1,719,190</b>	1,580,702	<b>61,037,978</b>	43,237,479
Profit before taxation and unallocated income and expenses	<b>886,649</b>	1,572,028	<b>8,035,783</b>	3,709,479	<b>102,867</b>	(6,711)	<b>9,025,300</b>	5,274,796
Unallocated income and expenses							<b>(2,795,379)</b>	(3,206,929)
Taxation and Levy							<b>(1,953,644)</b>	(832,093)
<b>Profit after taxation</b>							<b>4,276,277</b>	1,235,774

(Rupees in thousand)



## Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

### 10.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Others		Total - Company	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Total assets for reportable segment	31,646,962	30,754,144	58,001,118	52,179,209	2,829,641	2,899,219	92,477,721	85,832,572
<b>Total assets as per consolidated condensed Statement of Financial position</b>					<b>92,477,721</b>	<b>85,832,572</b>		

(Rupees in thousand)

Total liabilities for reportable segment	34,180,871	31,217,420	33,902,469	34,597,469	994,492	1,048,085	69,077,832	66,862,974
<b>Total liabilities as per consolidated condensed Statement of Financial position</b>					<b>69,077,832</b>	<b>66,862,974</b>		

## 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 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 June 2024 (Un-audited)	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

<b>Financial assets</b>				
Derivative financial assets		85,017		85,017
Financial assets at fair value through other comprehensive income	48,089	-	-	48,089
<b>Total financial assets</b>	<b>48,089</b>	<b>85,017</b>	<b>-</b>	<b>133,106</b>

Recurring fair value measurements At 31 December 2023 (Audited)	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	61,279	-	-	61,279
<b>Total financial assets</b>	<b>61,279</b>	<b>-</b>	<b>-</b>	<b>61,279</b>

<b>Financial liabilities</b>				
Derivative financial liabilities	-	443	-	443
<b>Total financial liabilities</b>	<b>-</b>	<b>443</b>	<b>-</b>	<b>443</b>

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.

## Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

**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:

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023

(Rupees in thousand)

### Associated companies

Sale of goods	1,885,352	-	1,885,352	(1,341)
Donations made	31,632	30,327	10,441	15,227
Loan Disbursed	-	4,500	-	-
Interest charged	-	13,340	-	7,615
Purchase of goods	162,028	450,254	99,909	334,015

### Key management personnel - Directors

Cash dividend paid	185,973	103,349	185,973	103,349
Remuneration	64,881	79,309	34,829	31,551
Meeting fee to directors - non executive	1,813	1,680	1,535	1,040
Proceeds against shares to be issued under Employee's Stock Option Scheme	1,350	-	-	-

### Other related parties

Employees' retirement benefits	263,005	200,470	133,098	101,830
Cash dividend paid	22,662	11,331	22,662	11,331

**(ii) Period end balances**

As at 30 June 2024 (Un-audited)			
	Associated companies	Other related parties	Total
(Rupees in thousand)			
Trade debts	-	6,779	6,779
Employee benefit plans	-	689,338	689,338

As at 31 December 2023 (Audited)			
	Associated companies	Other related parties	Total
(Rupees in thousand)			
Employee benefit plans	-	646,354	646,354

**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 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, 2023.

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

**14 Date of authorization for issue**

These financial statements were authorized for issue on August 24, 2024 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 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 balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and reclassifications made accordingly

## Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2024

### 16 General

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



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Arif Saeed  
(Chief Executive)



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Omar Saeed  
(Director)



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Badar Ul Hassan  
(Chief Financial Officer)

## SLM انٹرنیشنل ٹائز ڈریڈنگ FZE

SLM انٹرنیشنل ٹائز ڈریڈنگ FZE، جو سروس لاگ مارچ ٹائز (پرائیویٹ) لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے، 27 جون 2024 کو متحدہ عرب امارات میں متعلقہ کارپوریٹ ضوابط کے تحت تشکیل دیا گیا ہے۔ کمپنی کا بنیادی مقصد ٹائز اور رمر کے ساتھ ساتھ آٹو اسپئر پارٹس کی تجارت کرنا ہے۔ کمپنی کا تجارتی پتہ FZJOA1001 جبل علی فری زون، دبئی، متحدہ عرب امارات ہے۔

مخائب بورڈ



عمر سعید  
ڈائریکٹر



عارف سعید  
چیف ایگزیکٹو

24 اگست 2024

لاہور

## سروس شوزلنکا (پرائیویٹ) لمیٹڈ

سروس شوزلنکا (پرائیویٹ) لمیٹڈ، سروس انڈسٹریز کمپنیل (پرائیویٹ) لمیٹڈ کا ایک ذیلی ادارہ ہے، جو کہ سروس انڈسٹریز لمیٹڈ کا مکمل ملکیتی ماتحت ادارہ ہے۔ سروس شوزلنکا (پرائیویٹ) لمیٹڈ ایک پرائیویٹ لمیٹڈ لائیبلٹی کمپنی ہے جو 16 جولائی 2015 کو کمپنیز ایکٹ 2007 کی دفعات کے تحت سری لنکا میں تشکیل دی گئی۔ کمپنی کار جسٹرزڈ آفس نمبر 143/17 سری وکر ماماوتھا کولمبو 15 پر واقع ہے اور اس کا کاروباری مرکز کاٹونا کیے میں واقع ہے۔

## SIL Gulf FZE

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

## ڈونگ گوان سروس گلوبل لمیٹڈ

ڈونگ گوان سروس گلوبل لمیٹڈ ایک لمیٹڈ لائیبلٹی کمپنی ہے (مکمل طور پر غیر ملکی قانونی شخص کی ملکیت ہے) جو کہ ڈونگ گوان ایڈمنسٹریشن 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 ٹویپوں کی بڑے پیمانے پر فروخت، چمڑے کی مصنوعات کی فروخت، سلسلے ہوئے ملبوسات اور اس سے منسلک خام مال کی فروخت، ہارڈ ویئر مصنوعات کی بڑے پیمانے پر فروخت، بیگز کی فروخت، روزمرہ کی ضروریات، ملبوسات کا سامعنا اور ان کی فیشننگ کی خدمات، تکنیکی خدمات اور دیگر متعلقہ امور پر محیط ہے۔ ڈونگ گوان سروس گلوبل لمیٹڈ کمزور 302، نمبر 18، ہوجی ٹاؤن، ڈونگ گوان ٹی، گوانگ ڈونگ صوبہ، چین میں واقع ہے۔

## سروس ٹائز (پرائیویٹ) لمیٹڈ

سروس ٹائز (پرائیویٹ) لمیٹڈ کو پاکستان میں 21 دسمبر 2023 کو کمپنیز ایکٹ، 2017 کے تحت ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر تشکیل دیا گیا تھا۔ اس کا رجسٹرڈ دفتر سروس ہاؤس، 2 - مین گلبرگ، لاہور میں واقع ہے۔ سروس ٹائز (پرائیویٹ) لمیٹڈ کا کاروبار بنیادی طور پر سائیکلوں، موٹر سائیکلوں، سکوترز، رکشے، آٹوموبائل، ہوائی جہاز، بسیں، ٹرک، کاریں، ٹریکٹر، ٹرالیوں اور دیگر گاڑیوں کے ٹائزوں، ٹیپوں، پرزہ جات کی پیداوار، خوردہ اور تھوک خرید و فروخت، مارکیٹنگ اور پمپ کی درآمد اور برآمد کے کاروبار کو جاری رکھنا ہے۔ سروس ٹائز (پرائیویٹ) لمیٹڈ کا جاری کردہ، سمسکر انب شدہ اور ادا شدہ شیئر کمیٹیبل 6,667,243,000 روپے ہے جسے 10 روپے کے 666,724,300 عام شیئرز میں تقسیم کیا گیا ہے۔ سروس انڈسٹریز لمیٹڈ، سروس ٹائز (پرائیویٹ) لمیٹڈ کی 100% شراکت داری رکھتی ہے۔

## سروس ریٹیل (پرائیویٹ) لمیٹڈ

سروس ریٹیل (پرائیویٹ) لمیٹڈ کو پاکستان میں 21 دسمبر 2023 کو کمپنیز ایکٹ، 2017 کے تحت ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر تشکیل دیا گیا تھا۔ اس کا رجسٹرڈ دفتر سروس ہاؤس، 2 - مین گلبرگ، لاہور میں واقع ہے۔ سروس ریٹیل (پرائیویٹ) لمیٹڈ کا کاروبار بنیادی طور پر جوتے، بیگز، ملبوسات، لوازمات اور دیگر اشیاء / مصنوعات کی پیداوار، خوردہ اور تھوک خرید و فروخت، مارکیٹنگ اور درآمد کو جاری رکھنا ہے۔ سروس ریٹیل (پرائیویٹ) لمیٹڈ کا جاری کردہ، سمسکر انب شدہ اور ادا شدہ شیئر کمیٹیبل 5,000,000 روپے ہے جسے 10 روپے کے 500,000 عام شیئرز میں تقسیم کیا گیا ہے۔ سروس انڈسٹریز لمیٹڈ، سروس ریٹیل (پرائیویٹ) لمیٹڈ کی 100% شراکت داری رکھتی ہے۔

## گروپ کی ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 30 جون 2024 کو ختم ہونے والی ششماہی 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 شوز لانگ (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، ڈو ونگ ان سروس گلوبل لمیٹڈ جو کہ سروس گلوبل فٹ ویئر لمیٹڈ کا ذیلی ادارہ ہے، سروس ٹائرز (پرائیویٹ) لمیٹڈ اور سروس ریشیل (پرائیویٹ) لمیٹڈ جو کہ سروس انڈسٹریز لمیٹڈ کی مکمل ملکیت والی ذیلی ادارے ہے۔ اور SLM انٹرنیشنل ٹائرز ڈیٹنگ FZE جو کہ سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے، پر مشتمل ہے۔

### سروس انڈسٹریز لمیٹڈ

30 جون 2024 کو ختم ہونے والی ششماہی کی سروس انڈسٹریز لمیٹڈ کی کارکردگی پر ڈائریکٹرز کے تبصرہ کی رپورٹ الگ سے پیش کی گئی ہے۔ سروس انڈسٹریز لمیٹڈ نے انٹرنیشنل فنانسینشل رپورٹنگ اسٹینڈرڈز ریزولوشن کمپنیز 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 تحت 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، بین گلبرگ، لاہور واقع ہے۔ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا بنیادی مقصد پاکستانی ادیان 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 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، چیزے اور متعلقہ مصنوعات کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد ہے۔ سروس گلوبل فٹ ویئر لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 79.43% (2023: 79.43%) حصص ہیں۔ 30 جون 2024 کو ختم ہونے والی ششماہی 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 (XIX) کے تحت تشکیل دی گئی تھی۔ کمپنی کا رجسٹرڈ آفس سروس ہاؤس، 2، بین گلبرگ، لاہور میں واقع ہے۔ کمپنی کا بنیادی کاروبار ریشیل ریڈیل ٹرک اور بس ٹائروں کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد ہے۔ سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 22.09% (2023: 32.09%) حصص ہیں، سروس گلوبل فٹ ویئر لمیٹڈ کے حصص 18.91% (2023: 18.91%) ہیں اور سروس ٹائرز (پرائیویٹ) لمیٹڈ کے 10% (nil: 2023) حصص ہیں۔

سروس انڈسٹریز لمیٹڈ اور اس کی ذیلی کمپنی سروس گلوبل فٹ ویئر لمیٹڈ اور سروس ٹائرز (پرائیویٹ) 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۔



پہلی سہ ماہی میں کمپنی نے سروس لاگت مارچ تا ستمبر (پرائیویٹ) لمیٹڈ میں مزید 335 ملین روپے کی سرمایہ کاری کی ہے۔ یہ سرمایہ کاری ذیلی ادارے کی پیداواری صلاحیت کو مزید وسعت دے گی اور منافع بخش کاروبار کا باعث بنے گی۔

### مستقبل پر ایک نظر

کمپنی ایک مشکل کاروباری ماحول میں آگے بڑھ رہی ہے، حالانکہ شرح سود اور افراط زر میں قدرے کمی کی صورت میں کچھ آسانی ملی ہے۔ تاہم، بجٹ 2024 میں متعارف کردہ حالیہ ٹیکس اقدامات، بجلی کی قیمتوں میں مسلسل اضافہ، سیاسی عدم استحکام، بیرونی قرضوں کے دباؤ، اور بین الاقوامی تنازعات ایک مایوس کن منظر نامہ پیش کرتے ہیں۔ اس کے باوجود، انتظامیہ ان مشکلات سے بخوبی آگاہ ہے اور ان کے اثرات کو کم کرنے کے لیے اپنی کاروباری حکمت عملیوں کو فعال طور پر ڈھال رہی ہے۔ آگے بڑھتے ہوئے، انتظامیہ پر اعتماد ہے کہ اس کی نئی علیحدہ کی گئی کمپنیاں اعلیٰ پیشہ ور عملے کی زیر نگرانی مزید بہتر کارکردگی کا مظاہرہ کریں گی، جس کے نتیجے میں کمپنی مزید ڈیویڈنڈ اور منافع حاصل کر سکے گی۔

### اظہار تشکر

ڈائریکٹرز ان شیزر ہولڈرز کی تہہ دل سے تعریف کرنا چاہیں گے جنہوں نے کمپنی پر مسلسل اپنے اعتماد کا مظاہرہ کیا ہے اور کمپنی کے مقاصد کے حصول کے لیے ملازمین کی جانب سے کی جانے والی غیر متزلزل کوششوں کو بھی تسلیم کرتے ہیں۔ ہم اپنے صارفین، سپلائرز اور بینکرز کے مسلسل تعاون کے لیے ان کا شکریہ بھی ادا کرتے ہیں۔ ہم سال بھر امید افزا نتائج کے حصول کے لئے پرعزم ہیں۔

مخائب بورڈ



عمر سعید  
ڈائریکٹر



عارف سعید  
چیف ایگزیکٹو

24 اگست 2024

لاہور

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

سروس انڈسٹریز لمیٹڈ کے ڈائریکٹرز 30 جون 2024 کو ختم ہونے والی ششماہی کے لیے انفرادی مختصر عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### اسکیم آف کپروماٹرز، اربنجنٹ اینڈ ریکنسٹر کشن

کمپنی کے بورڈ آف ڈائریکٹرز اور حصص یافتگان نے بالترتیب 27 فروری 2024 اور 06 مئی 2024 کو منعقدہ اپنی میٹنگز میں نائز انڈر ٹیکنگ ریٹیل انڈر ٹیکنگ اور سپیڈ (پرائیویٹ) لمیٹڈ کے حصص علیحدہ کرنے کے لیے کمپنیز ایکٹ 2017 کے سیکشن 279 سے 283 کے تحت اسکیم آف کپروماٹرز، اربنجنٹ اینڈ ریکنسٹر کشن ("اسکیم") کی منظوری دی۔ اس کے تحت سروس انڈسٹریز لمیٹڈ کی جانب سے نائز انڈر ٹیکنگ کو سروس نائز (پرائیویٹ) لمیٹڈ میں اور ریٹیل انڈر ٹیکنگ کو سروس ریٹیل (پرائیویٹ) لمیٹڈ میں بالترتیب منتقل کرنا اور سروس انڈسٹریز لمیٹڈ سے سروس انڈسٹریز کیمپنل (پرائیویٹ) لمیٹڈ میں سپیڈ (پرائیویٹ) لمیٹڈ کے حصص کی منتقلی کرنا ہے۔ اسکیم کو معزز لاہور ہائی کورٹ، لاہور نے اپنے 12 جون 2024 کے حکم نامے کے ذریعے منظور کیا ہے، آرڈر کی تصدیق شدہ چیٹی کا پی 28 جون 2024 کو موصول ہوئی تھی اور اسی دن رجسٹرار آف کمپنیز، ایس ای سی پی کے پاس جمع کروادی گئی تھی۔ اسکیم 01 جنوری 2024 سے لاگو ہوئی تھی۔ یہ مالیاتی گوشوارے، اسکیم کے کلی طور پر لاگو ہونے کے بعد تیار کیے گئے ہیں اور اس لیے اس میں نائز انڈر ٹیکنگ اور ریٹیل انڈر ٹیکنگ کے مالیاتی گوشوارے شامل نہیں ہیں جنہیں سروس نائز (پرائیویٹ) لمیٹڈ اور سروس ریٹیل (پرائیویٹ) لمیٹڈ میں بالترتیب میں شامل کیا گیا ہے۔

### مالی کارکردگی کا موازنہ

30 جون 2024 کو ختم ہونے والی ششماہی کے لیے سروس انڈسٹریز لمیٹڈ کی انفرادی مختصر عبوری مالیاتی کارکردگی درج ذیل ہے۔

ششماہی اختتام	تفصیلات
جون 30, 2024 روپے، ہزار میں	
2,738,556	خالص فروخت
541,355	گراس منافع
1,137,601	آپریٹنگ منافع
120,340	منافع قبل از ٹیکس
47,035	منافع بعد از ٹیکس
1.00	فی شیئر آمدنی (روپے)

چونکہ، نائز انڈر ٹیکنگ، ریٹیل انڈر ٹیکنگ اور سپیڈ پرائیویٹ لمیٹڈ کے حصص کو 01 جنوری 2024 سے کمپنی سے الگ کر دیا گیا ہے۔ اس لیے، اعداد و شمار کا موازنہ نہیں کیا جاسکتا اور مذکورہ جدول میں یہ معلومات فراہم نہیں کی گئی ہے۔

### ذیلی کمپنیاں

زیر جائزہ مدت کے دوران، کمپنی کو اپنی ذیلی کمپنی سروس گلوبل فنڈ ویز لمیٹڈ سے 491 ملین روپے (3 روپے فی شیئر) کا عبوری ڈیویڈنڈ اور 327 ملین روپے (2 روپے فی شیئر) کا فائنل ڈیویڈنڈ وصول ہوا ہے۔









**servisgroup.com**

**SERVIS HOUSE**

2-Main Gulberg, Lahore-54662, Pakistan.

Tel: +92-42-35751990-96

Fax: +92-42-35711827, 35710593