



Service Industries Limited

EXPLORING NEW HORIZONS..



**Report & Un-Audited Accounts
for the 3rd Quarter Ended
September 30, 2022**

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Company Information

Board of Directors

Chaudhry Ahmed Javed
(Chairman)

Non-Executive Director

Mr. Arif Saeed

(Chief Executive Officer)

Executive Director

Mr. Omar Saeed

Executive Director

Mr. Hassan Javed

Executive Director

Mr. Riaz Ahmed

Non-Executive Director

Mr. Osman Saifullah Khan

Independent Director

Mr. Muhammad Naem Khan

Independent Director

Mr. Shahid Hussain Jatoi

Independent Director

Mrs. Ayesha Naweed

Independent Director

Chief Financial Officer

Mr. Badar Ul Hassan

Company Secretary

Mr. Waheed Ashraf

Audit Committee

Mr. Muhammad Naem Khan

Chairman

Mr. Osman Saifullah Khan

Member

Mr. Riaz Ahmed

Member

Human Resource and Remuneration Committee

Mrs. Ayesha Naweed

Chairperson

Mr. Arif Saeed

Member

Mr. Riaz Ahmed

Member

Bankers

Allied Bank Limited

Askari Bank Limited

Bank Al Habib Limited

Bank Alfalah Limited

Faysal Bank limited

Habib Bank Limited

Habib Metro Bank

ICBC Pakistan

JS Bank Limited

MCB Bank Limited

MCB Islamic Bank

Meezan Bank Limited

National Bank Limited

Samba Bank Limited

Silk Bank Limited

Standard Chartered Bank

(Pakistan) Limited

Soneri Bank limited

The Bank of Punjab

The Bank of Khyber

United Bank Limited

BankIslami Pakistan Limited

Dubai Islamic 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

Factories

G.T. Road, Gujrat
Sheikhupura Road, Muridke

Web Presence

www.servisgroup.com

**" You can not swim for
new horizons until you
have courage to lose
sight of the shore".**

- William Faulkner



Directors' Report to the Shareholders

The Directors take pleasure in presenting their Report along with the unconsolidated condensed interim financial statements of Service Industries Limited ("SIL") for the nine months ended September 30, 2022.

Key Performance Indicators (KPIs)

Please find below key performance indicators of unconsolidated condensed interim financial statements of SIL for the nine months ended September 30, 2022.

Particulars	Nine Months Ended		
	September 2022 "000"	September 2021 "000"	Percentage Change
Net Sales	31,454,889	23,723,243	33%
Gross Profit	5,818,869	3,724,682	56%
Operating profit	3,122,983	1,185,141	164%
Profit after tax	558,051	203,672	174%

SIL recorded net sales of PKR 31,455 million in its financial statements during the period showing an increase of 33% from same period last year. Operating Profit amounted to PKR 3,123 million against operating profit of PKR 1,185 million in the same period last year. Net profit after tax amounted to PKR 558 million against profit after tax of PKR 204 million in the same period last year.

Tyre Division

The Tyre Division has been the largest operating segment of the Company for last many years now. This division has witnessed a significant increase in sales to Rs. 23.8 billion in the current nine months period under review from Rs. 18.7 billion in the corresponding period last year.

Increased raw material prices due to spike in global raw material prices and volatility in Pak rupee, increase in energy cost, high logistics costs and increase in SBP discount rate negatively impacted the profitability of Tyre Division in the period under review.

However, despite these challenges, our management is determined to maintain its market position and capitalize on the brand image of Servis Tyres. Pricing mechanism were revised to maintain margins at optimum level while at the same time ensuring that customer base remain intact. The management has invested steadily in capacity enhancement which will result in further expansion in our range of tyres with lower operational cost.

The Company have also started In-House Production of Motorcycle Chain and Sprocket. The business is expected to yield good results in coming years.

Footwear Division

Our footwear sales increased by Rs.2.6 billion (53%) to Rs. 7.4 billion in the nine months period ended September 2022 in comparison to Rs. 4.8 billion in the same period last year. The management is committed to grow the profitability of domestic footwear business by better planning, supply chain efficiency, product Mix, monitoring and price increase although footwear sales segment continued to face tough challenges as the domestic market in the country remained under stress. During this challenging period, more institutional footwear business was booked by the Company to utilize available capacities, albeit at lower margins.

The retail business is on progression scale and the network now covers almost the entire country. The number of stores almost

doubled in 2021, and in the period under review, the number increased to 132 outlets as at 30 September 2022 compared to 91 stores at the end of December 2021. This aggressive expansion is based on the reforms that were made last year which resulted in gross margin improvement through price point coverage and discount management, better inventory planning and a more balanced product portfolio. The online platform for customer engagement and planned move to relaunch renowned brand would further scale up the sales of retail division. The management is highly enthusiastic to bring the total number of retail outlets to more than 150 stores by year end, surpassing already planned numbers.

Technical Rubber Products

Our Corporate sales division under the umbrella of Technical Rubber Products (TRP) historically had been under growth trajectory. There was a drop in sales level in the initial part of the period under review, however the segment performed well in later part with overall increase in sales from Rs. 260 million to Rs. 301 million, enhancement of 16% when compared with corresponding period last year. Future prospects of this division are promising, with many orders in hand and several in the pipeline.

Subsidiary Companies

The current period under review has been a phase of value additions for the Company. SIL's subsidiary Company, Pakistan's first all Steel and Radial tyre manufacturer of the country, Service Long March Tyres (Private) Limited is fully operational now and achieving its targets of production and sales. The management is very confident on better future returns on this investment which will further consolidate shareholder's worth. Moreover, the Company has made further equity investment of PKR 1,080 million in its subsidiary in the nine months under review.

During the period, the Company has received dividend income amounting to PKR 736 million from another subsidiary Company, Service Global Footwear Limited. The Company expects further dividends from its subsidiary companies in the near future.

Earnings Per Share (EPS)

The earnings per share of the Company stood at PKR 11.88 for the nine months period under review as compared to PKR 4.33 same period last year.

Future Outlook

The Company's decision to invest in enhancing production capacities, expanding retail network and increasing topline will help the Company to deliver better results in the remaining part of the year 2022. Moreover, the strength of our Brands coupled with the talent and capability that we bring to the market makes the Company well positioned to continue as a leader in both Footwear and Tyre business.

Acknowledgment

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

For and on behalf of the Board



Arif Saeed
Chief Executive

October 27, 2022
Lahore.



Omar Saeed
(Director)

Condensed Unconsolidated Interim Financial Statements



Condensed Unconsolidated Interim Statement of Financial Position

As at September 30, 2022

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
100,000,000 (2021: 100,000,000) ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid up share capital	469,874	469,874
Reserves	7,057,634	6,838,307
Total equity	7,527,508	7,308,181
LIABILITIES		
Non-current liabilities		
Long term financing	8,277,314	6,205,473
Long term deposits	1,440	1,440
Lease liabilities	3,391,973	2,817,034
Employees' retirement benefit	188,484	176,721
Deferred liabilities	285,958	395,243
	12,145,169	9,595,911
Current liabilities		
Trade and other payables	6,805,745	5,124,422
Accrued mark-up	508,964	262,097
Short term borrowings	12,916,822	9,152,752
Current portion of non-current liabilities	2,227,217	1,862,235
Unclaimed dividend	55,889	39,343
	22,514,637	16,440,849
Total liabilities	34,659,806	26,036,760
Contingencies and commitments	4	
TOTAL EQUITY AND LIABILITIES	42,187,314	33,344,941

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



Arif Saeed

(Chief Executive)

		(Un-audited) September 30,2022	(Audited) December 31, 2021
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	5	10,513,107	7,999,342
Right-of-use assets		3,076,152	2,642,560
Intangible assets		4,193	3,979
Long term investments	6	7,984,653	6,779,666
Long term loans to employees		17,495	27,416
Long term security deposits		205,308	137,956
		21,800,908	17,590,919
Current assets			
Stores, spares and loose tools		376,151	322,895
Stock-in-trade		10,328,079	9,001,107
Trade debts		5,825,206	3,808,763
Loans and advances		901,223	572,187
Trade deposits and prepayments		358,704	320,840
Other receivables		566,633	265,476
Short term investment		179,914	155,943
Advance income tax - net		557,242	607,515
Cash and bank balances		1,293,254	699,296
		20,386,406	15,754,022
TOTAL ASSETS		42,187,314	33,344,941



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2022

	Note	(Un-audited) Nine Months Ended		(Un-audited) Three Months Ended	
		September 30 2022	September 30 2021	September 30 2022	September 30 2021
(Rupees in thousand)					
Revenue	7	31,454,889	23,723,243	10,772,095	8,605,707
Cost of sales	8	(25,636,020)	(19,998,561)	(8,809,992)	(7,344,514)
Gross profit		5,818,869	3,724,682	1,962,103	1,261,193
Distribution cost		(2,395,940)	(1,616,897)	(829,135)	(568,502)
Administrative expenses		(1,091,897)	(936,759)	(386,854)	(309,587)
Other expenses		(137,405)	(157,617)	(42,915)	(36,548)
		(3,625,242)	(2,711,273)	(1,258,904)	(914,637)
		2,193,627	1,013,409	703,199	346,556
Other income		929,356	171,732	427,197	13,696
Profit from Operations		3,122,983	1,185,141	1,130,396	360,252
Finance cost		(2,053,562)	(919,766)	(803,330)	(340,235)
		1,069,421	265,375	327,066	20,017
Share of profit in equity accounted investee - net of taxation		9,449	15,645	5,242	11,584
Profit before taxation		1,078,870	281,020	332,308	31,601
Taxation		(520,819)	(77,348)	(260,436)	(18,957)
Profit after taxation		558,051	203,672	71,872	12,644
Earnings per share - basic and diluted (rupees)		11.88	4.33	1.53	0.27

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Unconsolidated Interim Statement of Comprehensive Income (Un-audited)

For the nine months ended September 30, 2022

	(Un-audited)		(Un-audited)	
	Nine Months Ended		Three Months Ended	
	September	September	September	September
	30, 2022	30, 2021	30, 2022	30, 2021
	(Rupees in thousand)			
Profit after taxation	558,051	203,672	71,872	12,644
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Surplus arising on remeasurement of investment at fair value through other comprehensive income - net of tax	13,682	60,859	39,936	804
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the nine months ended - net of tax	13,682	60,859	39,936	804
Total comprehensive income for the nine months ended 30 September 2022	571,733	264,531	111,808	13,448

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2022

	Reserves										Total Equity	
	Capital Reserves					Revenue Reserves						Total
	Share Capital	Capital gains	Fair value reserve FVOCI investment	Share premium	Share of share premium reserve held by equity accounted investee	Reserve pursuant to the Scheme	Sub Total	General reserve	Un-appropriated profit	Sub total		
	234,937	102,730	69,360	21,217	23,935	927,163	1,144,405	1,558,208	4,345,042	5,903,250	7,047,655	7,282,592
Balance as at 31 December 2020 - audited												
Transactions with owners:												
Final dividend for the year ended 31 December 2020 @ Rupees 15 per share	-	-	-	-	-	-	-	-	(352,406)	(352,406)	(352,406)	(352,406)
Issue of bonus shares for the year ended 31 December 2020 @ 100%	234,937	-	-	-	-	-	-	-	(234,937)	(234,937)	(234,937)	-
Transfer of gain on disposal of FVOCI investment to retained earnings	234,937	-	(35,539)	-	-	-	(35,539)	-	(587,343)	(587,343)	(587,343)	(352,406)
	-	-	-	-	-	-	-	-	35,539	35,539	-	-
Profit for the nine months ended 30 September 2021	-	-	-	-	-	-	-	-	203,672	203,672	203,672	203,672
Other comprehensive income for the nine months ended 30 September 2021	-	-	60,859	-	-	-	60,859	-	-	-	60,859	60,859
Total comprehensive income for the nine months ended 30 September 2021	-	-	60,859	-	-	-	60,859	-	-	-	60,859	60,859
Balance as at 30 September 2021 - unaudited	469,874	102,730	94,680	21,217	23,935	927,163	1,169,725	1,558,208	3,996,910	5,555,118	6,724,943	7,194,717
Balance as at 31 December 2021 - audited	469,874	102,730	64,998	21,217	23,935	927,163	1,140,043	1,558,208	4,140,056	5,698,264	6,838,307	7,308,181
Transactions with owners:												
Final dividend for the year ended 31 December 2021 @ Rupees 7.50 per share	-	-	-	-	-	-	-	-	(352,406)	(352,406)	(352,406)	(352,406)
Profit for the nine months ended 30 September 2022	-	-	-	-	-	-	-	-	558,051	558,051	558,051	558,051
Other comprehensive income for the nine months ended 30 September 2022	-	-	13,682	-	-	-	13,682	-	-	-	13,682	13,682
Total comprehensive income for the nine months ended 30 September 2022	-	-	13,682	-	-	-	13,682	-	-	-	13,682	13,682
Balance as at 30 September 2022 - unaudited	469,874	102,730	78,680	21,217	23,935	927,163	1,153,725	1,558,208	4,345,701	5,903,909	7,057,634	7,527,508

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Unconsolidated Interim Statement of Cash Flows (Un-audited)

For the nine months ended September 30, 2022

	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	1,078,870	281,020
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	613,870	487,448
Depreciation on right of use assets	304,373	194,896
Provision for gratuity	32,755	29,770
Finance cost	2,053,562	919,766
Provision for workers' profit participation fund	51,078	7,967
Provision for workers' welfare fund	3,885	5,898
Provision for / (Reversal of) slow moving and obsolete inventory	17,104	(7,594)
Allowance for expected credit losses	24,029	40,111
Share of profit in equity accounted investee	(9,449)	(15,645)
Operating profit before working capital changes	4,170,077	1,943,637
Working capital changes		
Increase in current assets:		
Stores, spares and loose tools	(53,256)	(32,958)
Stock-in-trade	(1,344,076)	(2,440,352)
Trade debts	(2,040,472)	(147,063)
Loans, advances, trade deposits, prepayments and other receivables	(669,112)	(878,579)
	(4,106,916)	(3,498,952)
Increase in trade and other payables	1,626,360	1,348,781
	(2,480,556)	(2,150,171)
Cash generated from / (used in) operations	1,689,521	(206,534)
Finance cost paid	(1,806,695)	(686,003)
Income tax paid	(567,764)	(212,196)
Employees' retirement benefits paid	(20,992)	(16,428)
Long term loans - net	10,976	(18,574)
Long term deposits - net	(67,352)	(8,175)
Net cash used in operating activities	(762,306)	(1,147,910)
Cash flows from investing activities		
Capital expenditure on fixed assets	(3,126,178)	(1,687,262)
Addition in intangible asset	(1,671)	-
Long term investment made	(1,187,044)	(1,307,171)
Short term investment made	(23,971)	-
Net cash used in investing activities	(4,338,864)	(2,994,433)

Condensed Unconsolidated Interim Statement of Cash Flows (Un-audited)

For the nine months ended September 30, 2022

	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
(Rupees in thousand)		
Cash flows from financing activities		
Long term financing - net	2,393,968	573,802
Short term borrowings - net	3,764,070	3,255,768
Repayment of lease liabilities	(127,050)	(109,438)
Dividend paid	(335,860)	(350,674)
Long term deposits - net	-	(300)
Net cash generated from financing activities	5,695,128	3,369,158
Net increase/(decrease) in cash and cash equivalents	593,958	(773,185)
Cash and cash equivalents at the beginning of the period	699,296	1,201,058
Cash and cash equivalents at the end of the period	1,293,254	427,873

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2022

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 are purchase, manufacture and sale of footwear, tyres and tubes and technical rubber products. These unconsolidated condensed interim financial statements pertain to Service Industries Limited as an individual entity.

2. Basis of Preparation

2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2021.

3. Accounting Policies

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 31 December 2021.

3.1 Critical Accounting Estimates and Judgments

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

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 31 December 2021.

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

For the nine months ended September 30, 2022

4. Contingencies and commitments

4.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2021 except as follows:

4.1.1 Guarantees issued in ordinary course of business through banks are of Rupees 3,557.814 million (31 December 2021: Rupees 2,721.638 million).

4.2 Commitments

4.2.1 Contracts for capital expenditure are approximately of Rupees 151.667 million (31 December 2021: Rupees 1,834.702 million).

4.2.2 Letters of credit other than capital expenditure are of Rupees 444.412 million (31 December 2021: Rupees 2,763.165 million).

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

	Note	(Un-audited) September 30,2022 (Rupees in thousand)	(Audited) December 31, 2021
Not later than one year		63,299	68,561
Later than one year and not later than five years		65,282	85,752
		128,581	154,313

5. Fixed assets

Operating fixed assets	5.1	7,929,963	7,375,009
Capital work-in-progress		2,583,144	624,333
		10,513,107	7,999,342

5.1 Operating fixed assets

Opening net book value		7,375,009	5,842,520
Add: Additions during the period / year	5.2	1,172,456	2,218,644
		8,547,465	8,061,164
Less: Disposals during the period / year (at book value)	5.2	(5,089)	(7,537)
		8,542,376	8,053,627
Less: Depreciation charged during the period / year		(612,413)	(678,618)
		7,929,963	7,375,009

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

	Additions		Disposals - NBV	
	(Un-audited) September 30,2022	(Audited) December 31, 2021	(Un-audited) September 30,2022	(Audited) December 31, 2021
	(Rupees in thousand)			
Land	-	294,865	-	-
Building on freehold land	20,868	379,692	2,544	70
Plant and machinery	734,694	1,089,848	-	1,224
Furniture, fixture and fittings	26,223	25,547	-	-
Vehicles	58,022	22,804	280	1,703
Service equipments	139,119	206,645	1,124	2,508
Leasehold improvements	193,530	199,243	1,141	2,032
	1,172,456	2,218,644	5,089	7,537

		(Un-audited) September 30,2022	(Audited) December 31, 2021
	Note	(Rupees in thousand)	
6. Long term investments			
Investment in subsidiary companies - at cost	6.1	7,559,766	6,372,722
Investment in associate (with significant influence) - under equity method	6.2	325,020	315,571
Investment in joint ventures - at cost	6.3	-	-
Other investment - at FVTOCI	6.4	99,867	91,373
		7,984,653	6,779,666

6.1 Investments in subsidiary companies - at cost

Service Industries Capital (Private) Limited

40,000,000 (2021: 30,000,000) fully paid ordinary shares of Rupees 10 each **400,000** 300,000
Equity held 100% (2021:100%)

Service Global Footwear Limited

163,550,000 (2021: 163,550,000) fully paid ordinary shares of Rupees 10 each **3,026,184** 3,026,184
Equity held 79.75% (2021:80%)

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

For the nine months ended September 30, 2022

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in thousand)	
Service Long March Tyres (Private) Limited		
367,430,500 (2021: 303,250,000) fully paid ordinary shares of Rupees 10 each	3,688,338	3,046,538
Equity held 32.09% (2021: 32.09%)		
Advance against purchase of shares	438,029	-
	4,126,367	3,046,538
SIL GULF FZE		
	7,215	-
Equity held 100% (2021:100%)		
	7,559,766	6,372,722

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

Speed (Private) Limited		
160,709 (2021: 160,709) fully paid ordinary shares of Rupees 100 each	190,949	190,949
Share of post acquisition reserve		
As at the beginning of the period / year	124,622	89,895
Share of post acquisition profit for the period / year	9,449	34,727
	134,071	124,622
	325,020	315,571

6.3 Investments in joint ventures - at cost

S2 Power Limited - unquoted		
24,000 (2021: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
S2 Hydro Limited - unquoted		
24,000 (2021: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
	480	480
Impairment loss recognized against investments	(480)	(480)
	-	-

6.4 Other investment - at FVTOCI

TRG Pakistan Limited - quoted		
775,000 (2021: 775,000) fully paid ordinary shares of Rupees 10 each	17,089	17,089
Fair value adjustment	82,778	74,284
	99,867	91,373

	(Un-audited) Nine Months Ended		(Un-audited) Three Months Ended	
	September 2022	September 2021	September 2022	September 2021

(Rupees in thousand)

7.

Sales

Sales of footwear - net

Export sales	1,411,992	958,235	642,402	527,842
Local sales	5,871,873	3,849,039	2,059,253	1,270,033
Processing income	92,333	-	73,790	-
	7,376,198	4,807,274	2,775,445	1,797,875

Sales of tyres - net

Export sales	2,588,479	1,997,361	1,081,412	739,744
Local sales	21,189,232	16,659,036	6,757,716	5,969,947
	23,777,711	18,656,397	7,839,128	6,709,691

Sales of technical rubber products - net

Local sales	300,980	259,572	157,522	98,141
	31,454,889	23,723,243	10,772,095	8,605,707

8.

Cost of sales

Raw materials consumed	17,041,126	13,884,669	5,119,364	5,156,703
Salaries, wages and other benefits	2,169,941	1,973,553	797,996	694,138
Stores and spares consumed	205,250	247,176	56,848	98,981
Packing materials consumed	541,152	516,626	182,821	184,607
Fuel and power	1,717,574	1,098,455	615,322	440,042
Insurance	31,568	20,235	12,428	7,070
Travelling	30,803	8,622	14,676	5,953
Repair and maintenance	171,370	158,571	50,742	53,605
Entertainment	5,014	2,491	3,384	1,463
Depreciation	500,236	422,212	172,337	162,412
Provision / (Reversal of provision) for slow moving and obsolete inventory	17,104	(7,594)	2,204	9,596
Processing charges	45,243	-	39,150	-
Other manufacturing charges	88,111	68,878	43,154	25,742
	22,564,492	18,393,894	7,110,426	6,840,312
Work-in-process movement	(505,185)	(433,576)	200,134	113,583
Cost of goods manufactured	22,059,307	17,960,318	7,310,560	6,953,895
Finished goods movement	3,576,713	2,038,243	1,499,432	390,619
	25,636,020	19,998,561	8,809,992	7,344,514

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

For the nine months ended September 30, 2022

9. Segment information

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

Footwear Purchase, manufacturing and sale of different qualities of footwear.

Tyre Manufacturing of different qualities of tyres.

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

	Footwear (Un-audited)		Tyre (Un-audited)		Technical Rubber Products (Un-audited)		Total - Company (Un-audited)	
	Nine Months Ended	September 30	Nine Months Ended	September 30	Nine Months Ended	September 30	Nine Months Ended	September 30
	2022	2021	2022	2021	2022	2021	2022	2021

(Rupees in thousand)

Sales	7,376,198	4,807,274	23,777,711	18,656,397	300,980	259,572	31,454,889	23,723,243
Profit / (loss) before taxation and unallocated income and expenses	214,021	(155,794)	2,572,913	1,613,310	(10,544)	65,486	2,776,390	1,523,002
Unallocated income and expenses							(1,697,520)	(1,241,982)
Taxation							(520,819)	(77,348)
Profit after taxation							558,051	203,672

9.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Technical Rubber Products		Total - Company	
	(Un-audited) September 30 2022	(Audited) December 31 2021	(Un-audited) September 30 2022	(Audited) December 31 2021	(Un-audited) September 30 2022	(Audited) December 31 2021	(Un-audited) September 30 2022	(Audited) December 31 2021
Total assets for reportable segment	10,667,862	8,215,216	19,825,432	15,727,851	663,995	308,341	31,157,289	24,251,408
Unallocated assets							11,030,025	9,093,533
Total assets as per condensed unconsolidated interim statement of financial position							42,187,314	33,344,941
Unallocated liabilities							34,659,806	26,036,760
Total liabilities as per condensed unconsolidated interim statement of financial position							34,659,806	26,036,760

(Rupees in thousand)

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

For the nine months ended September 30, 2022

10. Recognized fair value measurements - financial instruments

(i) Fair value hierarchy

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

Recurring fair value measurements At 30 September 2022 (Un-audited)	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

(Rupees in thousand)

Financial assets

Financial assets at fair value through other comprehensive income	99,867	-	-	99,867
Total financial assets	99,867	-	-	99,867

Recurring fair value measurements At 31 December 2021 (Audited)	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

(Rupees in thousand)

Financial assets

Financial assets at fair value through other comprehensive income	91,373	-	-	91,373
Total financial assets	91,373	-	-	91,373

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

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

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

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

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

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

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

For the nine months ended September 30, 2022

(ii) Period end balances

As at 30 September 2022 (Un-audited)		
Subsidiary companies	Other related parties	Total
(Rupees in thousand)		
Employee benefit plans	215,156	215,156
Trade debts	28,295	28,295
Short term loan	1,129,883	1,129,883
Long Term loan	2,500,000	2,500,000
As at 31 December 2021 (Audited)		
Subsidiary companies	Other related parties	Total
(Rupees in thousand)		
Employee benefit plans	204,016	204,016
Trade debts	1,546	58,075
Other Receivables	604	604
Short term loan	1,019,102	1,019,102
Long Term loan	2,500,000	2,500,000
Trade and other payables	103,367	103,367
Accrued mark-up	55,104	55,104

12. 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 2021.

13. Date of authorization for issue

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on October 27, 2022.

14. 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 has been compared with the balances of annual audited financial statements of preceding financial year, whereas, unconsolidated condensed interim statement of changes in equity, 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.

15. GENERAL

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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 nine months period ended September 30, 2022.

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 and SIL Gulf FZE, a wholly owned subsidiary of Service Industries Limited.

Service Industries Limited

The Director Report providing a commentary on the performance of Service Industries Limited for the period ended September 30, 2022 has been presented separately. Service Industries Limited has annexed its Condensed Consolidated Interim Financial Statements along with its Separate Condensed Interim Financial Statements, in accordance with the requirements of International Financial Reporting Standards and Companies Act 2017.

Service Industries Capital (Private) Limited

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

Service Global Footwear Limited

Service Global Footwear Limited was incorporated as a public limited company on 19 July 2019 in Pakistan under the Companies Act, 2017. The principal activities of the Company are manufacturing, sale, marketing, import and export of footwear, leather and allied products. Service Industries Limited has 79.75% (2021: 80%) equity stake in Service Global Footwear Limited. The Director Report providing a commentary on the performance of Service Global Footwear Limited for the period ended September 30, 2022 has been presented in its separate quarterly report.

Service Long March Tyres (Private) Limited

Service Long March Tyres (Private) Limited is a Private Limited Company incorporated in Pakistan on January 07, 2020 under Companies Act, 2017 (XIX of 2017). The registered office of the Company is situated at Servis House, 2-Main Gulberg, Lahore. The principal line of business of the Company is to carry on the business of manufacturing, sale, marketing, import and export of all steel radial truck and bus tyres. The shareholding of Service Industries Limited in Service Long March Tyres (Private) Limited is 32.09% (2021:32.09%) and shareholding of Service Global Footwear Limited in Service Long March Tyres (Private) Limited is 18.91% (2021: 18.91%).

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

Service Shoes Lanka (Private) Limited

Service Shoes Lanka (Private) Limited is a subsidiary company of Service Industries Capital (Private) Limited, which is wholly owned subsidiary of Service Industries Limited. Service Shoes Lanka (Private) Limited is a Private Limited Liability Company

incorporated on July 16, 2015 and domiciled in Sri Lanka under the provisions of the Companies Act No. 07 of 2007. The registered office of the Company is located at No 143/17, Sri Wickrema Mawatha, Colombo 15 and the principal place of business is located at Katunayake.

SIL Gulf FZE

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

For and on Behalf of the Board



Arif Saeed
Chief Executive



Omar Saeed
(Director)

October 27, 2022
Lahore.

Condensed Consolidated Interim Financial Statements



Condensed Consolidated Interim Statement of Financial Position

As at September 30, 2022

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
100,000,000 (2021: 100,000,000) ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid up share capital	469,874	469,874
Reserves	8,856,282	9,220,402
Non-controlling interest	6,958,055	5,663,630
Total equity	16,284,211	15,353,906
LIABILITIES		
Non-current liabilities		
Long term financing	14,356,174	11,395,994
Long term deposits	1,440	1,440
Lease liabilities	3,391,973	2,817,034
Employees' retirement benefit	317,590	297,612
Deferred liabilities	2,169,847	2,252,771
	20,237,024	16,764,851
Current liabilities		
Trade and other payables	11,875,602	7,554,758
Accrued mark-up	829,347	296,284
Short term borrowings	24,913,805	12,458,263
Current portion of non-current liabilities	2,419,134	2,127,597
Unclaimed dividend	60,081	39,343
	40,097,969	22,476,245
Total liabilities	60,334,993	39,241,096
Contingencies and commitments	5	
TOTAL EQUITY AND LIABILITIES	76,619,204	54,595,002

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



Arif Saeed

(Chief Executive)

		(Un-audited) September 30,2022	(Audited) December 31, 2021
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	6	32,195,249	26,534,730
Right-of-use assets		3,076,152	2,642,560
Intangible assets		32,922	43,602
Long term investments	7	611,000	597,268
Long term loans to employees		30,604	45,704
Long term security deposits		217,162	149,472
		36,163,089	30,013,336
Current assets			
Stores, spares and loose tools		527,219	367,266
Stock-in-trade		20,785,158	11,622,051
Trade debts		9,312,757	4,468,249
Loans and advances		2,489,343	915,549
Trade deposits and prepayments		376,032	330,531
Other receivables		3,426,595	1,157,736
Advance income tax - net of provision for taxation		858,416	943,976
Accrued interest		5,134	26,931
Short term Investments		179,914	155,943
Cash and bank balances		2,495,547	4,593,434
		40,456,115	24,581,666
TOTAL ASSETS		76,619,204	54,595,002



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2022

	Note	(Un-audited) Nine Months Ended		(Un-audited) Three Months Ended	
		September 30 2022	September 30 2021	September 30 2022	September 30 2021
		(Rupees in thousand)			
Sales - net	8	44,993,303	28,883,853	17,519,857	10,789,026
Cost of sales	9	(36,946,093)	(24,273,556)	(14,378,829)	(9,195,497)
Gross profit		8,047,210	4,610,297	3,141,028	1,593,529
Distribution cost		(3,326,140)	(2,027,968)	(1,233,435)	(732,458)
Administrative expenses		(1,626,128)	(1,297,980)	(596,320)	(430,726)
Other expenses		(463,329)	(213,750)	(337,047)	(79,043)
		(5,415,597)	(3,539,698)	(2,166,802)	(1,242,227)
		2,631,613	1,070,599	974,226	351,302
Other income		206,946	471,754	(76,297)	197,731
Profit from Operations		2,838,559	1,542,353	897,929	549,033
Finance cost		(2,187,747)	(848,416)	(998,483)	(317,030)
		650,812	693,937	(100,554)	232,003
Share of profit / (loss) in equity accounted investee - net of taxation		5,237	(16,608)	8,586	61
Profit / (loss) before taxation		656,049	677,329	(91,968)	232,064
Taxation		(937,220)	(224,830)	(496,589)	(71,517)
(Loss) / profit after taxation		(281,171)	452,499	(588,557)	160,547
Share of (loss) / profit attributable to:					
Equity holders of the holding company		(80,604)	427,270	(420,153)	134,636
Non-controlling interest		(200,567)	25,229	(168,404)	25,911
		(281,171)	452,499	(588,557)	160,547
(Loss) / Earnings per share - basic and diluted (rupees)		(1.72)	9.09	(8.94)	2.87

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2022

	(Un-audited) Nine Months Ended		(Un-audited) Three Months Ended	
	September 30 2022	September 30 2021	September 30 2022	September 30 2021
(Loss) / profit after taxation	(281,171)	452,499	(588,557)	160,547
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Surplus arising on remeasurement of investment at fair value through other comprehensive income - net of tax	13,682	60,859	39,936	804
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign subsidiary	84,306	(6,892)	(22,081)	(14,625)
Exchange difference on translation of goodwill	(10,894)	451	3,011	2,905
	73,412	(6,441)	(19,070)	(11,720)
Other comprehensive income for the period - net of tax	87,094	54,418	20,866	(10,916)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(194,077)	506,917	(567,691)	149,631
Share of total comprehensive (loss) / income attributable to:				
Equity holders of the holding company	(26,716)	484,445	(390,329)	129,570
Non-controlling interest	(167,361)	22,472	(177,362)	20,061
	(194,077)	506,917	(567,691)	149,631

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2022

	Attributable to the equity holders of the holding company											Shareholders equity	Non-controlling interest	Total equity			
	Share Capital	Capital Reserves					Revenue Reserves								Total Reserves		
		Fair value reserve FVOCI investment	Share premium	Share of share premium reserve held by equity accounted investee	Exchange translation reserve	Reserve pursuant to the Scheme	Share options reserve	Share of employees share compensation reserve held by equity accounted investee	Sub total	General reserve	Un-appropriated profit					Sub total	
Balance as at 31 December 2020 - audited	234,937	102,730	69,360	21,217	44,395	4,871	927,163	-	1,169,736	1,558,208	5,424,644	6,982,852	8,152,588	8,387,525	1,451,499	9,839,024	
Transactions with owners:																	
Non-controlling interest on investment in subsidiary company																	
Final dividend for the year ended 31 December 2020 @ Rupees 15 per share														(352,406)		4,627,269	
Issue of bonus shares @ 100% for the year ended 31 December 2020	234,937													(352,406)		(352,406)	
Employee share option reserve	234,937													(587,343)		(352,406)	
Transfer of gain on disposal of FVOCI investment to retained earnings			(35,539)					(35,539)			35,539					14,286	
Profit for the nine months ended 30 September 2021			60,859						57,175		427,270		427,270		25,229	452,499	
Other comprehensive income / (loss) for the nine months ended 30 September 2021			60,859			(3,684)			57,175		427,270		484,445		22,472	506,917	
Total comprehensive income for the nine months ended 30 September 2021			60,859			(3,684)			57,175		427,270		484,445		22,472	506,917	
Balance as at 30 September 2021 - unaudited	469,874	102,730	94,680	21,217	44,395	1,187	927,163	-	1,191,372	1,558,208	5,300,110	6,858,318	8,049,690	8,519,564	6,115,526	14,635,090	
Balance as at 31 December 2021 - audited	469,874	102,730	64,998	1,356,636	44,395	(2,886)	927,163	14,978	256	2,508,270	5,153,924	6,712,132	9,220,402	6,960,276	5,663,630	15,353,906	
Transactions with owners:																	
Final dividend for the year ended 31 December 2021 @ Rupees 2 per share															(81,775)	(81,775)	
Final dividend for the year ended 31 December 2021 @ Rupees 7.50 per share															(352,406)	(352,406)	
Interim dividend for the half year ended 30 June 2022 @ Rupees 2.50 per share															(103,826)	(103,826)	
Proceeds from non-controlling interest of Service Global Footwear Limited															(352,406)	(352,406)	
Recognition of state option reserve scheme				6,500				8,502							6,500	6,500	
Non-controlling interest on investment in subsidiary company									15,002				15,002		3,770	18,773	
Loss for the nine months ended 30 September 2022															1,637,117	1,637,117	
Other comprehensive income for the nine months ended 30 September 2022			13,682			40,206			53,888		(80,604)		(80,604)		(200,567)	(87,094)	
Total comprehensive income / (loss) for the nine months ended 30 September 2022			13,682			40,206			53,888		(80,604)		(80,604)		(26,716)	(194,077)	
Balance as at 30 September 2022 - unaudited	469,874	102,730	78,680	1,363,136	44,395	37,320	927,163	23,480	256	2,577,160	1,558,208	4,720,914	6,279,122	8,956,282	9,326,156	6,958,055	16,284,211

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2022

	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	656,049	677,329
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	1,626,654	817,985
Provision for gratuity	48,569	46,136
Finance cost	2,187,747	848,416
Provision and interest for workers' profit participation fund	75,932	25,719
Provision for workers' welfare fund	17,827	6,357
Provision / (Reversal of provision) for slow moving and obsolete inventory	21,710	(8,134)
Allowance for expected credit losses	25,856	44,411
Employee share option expense	18,773	14,286
Interest on loan to associate	(6,928)	(2,318)
Share of (profit) / loss in equity accounted investee	(5,237)	16,608
Operating profit before working capital changes	4,666,952	2,486,795
Working capital changes		
Increase in current assets:		
Stores, spares and loose tools	(159,953)	(38,705)
Stock-in-trade	(9,184,818)	(2,736,196)
Trade debts	(4,653,172)	(268,840)
Loans, advances, trade deposits, prepayments and other receivables	(5,022,374)	(698,698)
	(19,020,317)	(3,742,439)
Increase in trade and other payables	4,109,631	1,940,377
	(14,910,686)	(1,802,062)
Cash (used in) / generated from operations	(10,243,734)	684,733
Finance cost paid	(1,654,685)	(629,760)
Income tax paid	(948,878)	(277,215)
Employees' retirement benefits paid	(28,504)	(18,980)
Long term loans - net	3,219	(26,597)
Long term deposits - net	(68,090)	(15,738)
Net cash used in operating activities	(12,940,672)	(283,557)
Cash flows from investing activities		
Capital expenditure on operating fixed assets - net	(7,053,285)	(14,596,345)
Long term investment made	-	(205,791)
Short term investments - net	(23,971)	-
Loan to associated company	100,000	-
Investment in associated company	-	(40,000)
Net cash used in investing activities	(6,977,256)	(14,842,136)

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

For the nine months ended September 30, 2022

	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
	(Rupees in thousand)	
Cash flows from financing activities		
Long term financing - net	3,059,262	9,156,055
Short term borrowings - net	13,676,206	2,127,958
Repayment of lease liabilities	(127,050)	(109,438)
Proceeds from NCI of subsidiary Company - Service Global Footwear Limited	6,500	2,078,149
Proceeds from NCI of subsidiary Company - Service Long March Tyres (Private) Ltd.	1,637,116	2,549,120
Dividend paid	(517,269)	(350,674)
Long term deposits - net	400	(300)
Net cash generated from financing activities	17,735,165	15,450,870
Effects of exchange rate changes on cash and cash equivalents	84,876	(6,892)
Net (decrease) / increase in cash and cash equivalents	(2,097,887)	318,285
Cash and cash equivalents at the beginning of the period	4,593,434	4,195,565
Cash and cash equivalents at the end of the period	2,495,547	4,513,850

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2022

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

Service Industries Limited

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

Service Global Footwear Limited

Service Global Footwear Limited was incorporated as a public limited company on 19 July 2019 in Pakistan under the Companies Act, 2017. The principal activities of the Company are manufacturing, sale, marketing, import and export of footwear, leather and allied products. It is subsidiary of Service Industries Limited. Ownership interest held by non-controlling interest in Service Global Footwear Limited – Subsidiary Company is 20.25% (2021:20%).

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% (2021: 40%).

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

For the nine months ended September 30, 2022

Service Long March Tyres (Private) Limited

Service Long March Tyres (Private) Limited is a Private Limited Company incorporated in Pakistan on January 07, 2020 under Companies Act, 2017 (XIX of 2017). The registered office of the Company is situated at Servis House, 2-Main Gulberg, Lahore. The principal line of business of the Company is to carry on the business of manufacturing, sale, marketing, import and export of all steel radial truck and bus tyres. Ownership interest held by non-controlling interest in Service Long March Tyres (Private) Limited – Subsidiary Company is 49% (2021: 49%).

SIL Gulf FZE

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

2. Basis of Consolidation

a) Subsidiaries

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

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

Intragroup balances and transactions have been eliminated.

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

b) Associate

Associate is an entity over which the Group has significant influence but not control or joint control. Investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

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

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

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

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

c) Translations of the financial statements of foreign subsidiary

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

3. Basis of Preparation

3.1 These Condensed consolidated interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These do not include all the information required for the full set of annual financial statements and the consolidated condensed interim financial statements should be read in conjunction with the annual audited consolidated financial statements of the company for the year ended 31 December 2021.

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

4. Accounting Policies

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

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the audited consolidated financial statements as at and for the year ended December 31, 2021.

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 2021 except for the following:

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

For the nine months ended September 30, 2022

Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 2,302.576 million (31 December 2021 Rupees 1,657.194 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.

5.1.1 Guarantees issued in ordinary course of business through banks are of Rupees 4,236.783 million (2021: Rupees 2,721.638 million).

5.2 Commitments

5.2.1 Contracts for capital expenditure are approximately of Rupees 223.132 million (2021: Rupees 6,258.043 million)

5.2.2 Letters of credit other than capital expenditure are of Rupees 2,094.644 million (2021: Rupees 2,808.673 million).

5.2.3 Outstanding foreign currency forward contracts are of Rupees 432.987 million (31 December 2021: 1,631.608 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 five years. Future Ujrah payments under Ijarah are as follows:

	Note	(Un-audited) September 30,2022	(Audited) December 31, 2021
		(Rupees in thousand)	
Not later than one year		75,055	82,379
Later than one year and not later than five years		82,816	110,396
		157,871	192,775

6. Fixed assets

Operating fixed assets	6.1	29,326,877	10,361,648
Capital work-in-progress		2,868,372	16,173,082
		32,195,249	26,534,730

6.1 Operating fixed assets

Opening net book value		10,361,648	8,708,099
Add: Additions during the period / year	6.2	20,336,762	2,537,250
		30,698,410	11,245,349
Less: Disposals during the period / year (at book value)	6.2	(20,677)	(7,615)
		30,677,733	11,237,734
Currency retranslation		(27,354)	3,167
		30,650,379	11,240,901
Less: Depreciation charged during the period / year		(1,323,502)	(879,253)
		29,326,877	10,361,648

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

	Additions		Disposals - NBV	
	(Un-audited) September 30,2022	(Audited) December 31, 2021	(Un-audited) September 30,2022	(Audited) December 31, 2021
	(Rupees in thousand)			
Land	-	294,865	-	-
Leasehold land	-	950	-	-
Building on freehold land	6,391,066	535,265	9,201	70
Plant and machinery	13,296,595	1,124,653	8,119	1,224
Furniture, fixture and fittings	31,082	33,676	-	-
Vehicles	93,287	51,496	280	1,703
Service equipments	331,202	297,102	1,936	2,586
Leasehold improvements	193,530	199,243	1,141	2,032
	20,336,762	2,537,250	20,677	7,615

	(Un-audited) September 30,2022	(Audited) December 31, 2021
	(Rupees in thousand)	
	Note	

7. Long term investments

Investment in associate (with significant influence) - under equity method	7.1	511,133	505,895
Investment in joint ventures - at cost	7.2	-	-
Other investment - at FVTOCI	7.3	99,867	91,373
		611,000	597,268

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

Speed (Private) Limited

263,909 (2021: 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

153,111	96,080
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Share of post acquisition profit for the period / year

15,496	57,031
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168,607	153,111
---------	---------

511,133	495,637
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Selected Notes to the Condensed Consolidated Interim Financial Statements (Un-audited)

For the nine months ended September 30, 2022

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in thousand)	
JOMO Technologies (Private) Limited		
46,666,667 (2021: 46,666,667) fully paid ordinary shares of Rupees 1 each	80,000	80,000
As at the beginning of the period / year	(69,742)	(12,499)
Adjustment due to deemed disposal of equity accounted investee	-	15,431
Share of employees share compensation reserves	-	256
Share of post acquisition loss for the period / year	(10,258)	(72,929)
Share of other comprehensive loss - net of tax for the period / year	-	(1)
	(80,000)	(69,742)
	-	10,258
	511,133	505,895

7.2 Investments in joint ventures - at cost

S2 Power Limited - unquoted		
24,000 (2021: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
S2 Hydro Limited - unquoted		
24,000 (2021: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
	480	480
Impairment loss recognized against investments	(480)	(480)
	-	-

7.3 Other investment - at FVTOCI

TRG Pakistan Limited - quoted		
775,000 (2021: 775,000) fully paid ordinary shares of Rupees 10 each	17,089	17,089
Fair value adjustment	82,778	74,284
	99,867	91,373

	(Un-audited) Nine Months Ended		(Un-audited) Three Months Ended	
	September 2022	September 2021	September 2022	September 2021
(Rupees in thousand)				
8. Sales of footwear - net				
Export sales	9,911,234	5,975,110	3,818,463	2,656,332
Local sales	5,852,015	3,992,774	452,599	1,324,574
Processing income	92,333	-	92,333	-
	15,855,582	9,967,884	4,363,395	3,980,906
Sales of tyres - net				
Export sales	4,190,757	1,997,361	2,682,729	739,744
Local sales	24,645,984	16,659,036	10,316,211	5,970,235
	28,836,741	18,656,397	12,998,940	6,709,979
Sales of technical rubber products - net				
Local sales	300,980	259,572	157,522	98,141
	44,993,303	28,883,853	17,519,857	10,789,026
9. Cost of sales				
Raw materials consumed	27,416,415	16,513,469	10,682,079	6,193,738
Salaries, wages and other benefits	4,208,365	3,170,425	1,626,777	1,168,261
Stores and spares consumed	414,944	374,593	95,653	153,065
Packing materials consumed	1,026,628	778,440	378,397	293,286
Fuel and power	2,601,985	1,161,240	1,081,442	465,883
Insurance	75,249	24,919	33,801	7,872
Travelling	101,634	14,577	49,683	11,121
Repair and maintenance	260,274	183,496	91,232	62,446
Entertainment	25,843	8,086	10,402	5,139
Depreciation	1,202,886	551,962	493,689	208,258
Provision for / (reversal of) slow moving and obsolete inventory	21,710	(8,134)	939	12,567
Other manufacturing charges	380,543	127,494	208,284	57,874
	37,736,476	22,900,567	14,752,378	8,639,510
Movement in work in process	(1,261,540)	(415,962)	(144,979)	158,937
Cost of goods manufactured	36,474,936	22,484,605	14,607,399	8,798,447
Movement in finish goods	471,157	1,788,951	(228,570)	397,050
	36,946,093	24,273,556	14,378,829	9,195,497

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

For the nine months ended September 30, 2022

10. Segment information

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

Footwear

Tyre

Technical Rubber Products

Purchase, manufacturing and sale of different qualities of footwear.

Manufacturing of different qualities of tyres.

Manufacturing of different qualities of rubber products on specifications.

	Footwear (Un-audited)		Tyre (Un-audited)		Technical Rubber Products (Un-audited)		Total - Company (Un-audited)	
	Nine Months Ended September 30 2022	September 30 2021	Nine Months Ended September 30 2022	September 30 2021	Nine Months Ended September 30 2022	September 30 2021	Nine Months Ended September 30 2022	September 30 2021
Sales	15,855,582	9,967,884	28,836,741	18,656,397	300,980	259,572	44,993,303	28,883,853
Profit / (loss) before taxation and unallocated income and expenses	911,693	159,676	2,188,417	1,694,150	(10,544)	65,486	3,089,566	1,919,312
Unallocated income and expenses							(2,433,517)	(1,241,983)
Taxation							(937,220)	(224,830)
Profit after taxation							(281,171)	452,499

(Rupees in thousand)

10.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Technical Rubber Products		Total - Company	
	(Un-audited) September 30 2022	(Audited) December 31 2021	(Un-audited) September 30 2022	(Audited) December 31 2021	(Un-audited) September 30 2022	(Audited) December 31 2021	(Un-audited) September 30 2022	(Audited) December 31 2021
Total assets for reportable segment	27,022,374	8,215,216	37,902,810	15,727,851	663,995	308,341	65,589,179	24,251,408
Unallocated assets							11,030,025	30,343,594
Total assets as per condensed consolidated interim statement of financial position							76,619,204	54,595,002
Unallocated liabilities							60,334,993	39,241,096
Total liabilities as per condensed consolidated interim statement of financial position							60,334,993	39,241,096

(Rupees in thousand)

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

For the nine months ended September 30, 2022

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 September 2022 (Un-audited)	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial assets

Derivative financial assets	-	21,670	-	21,670
Financial assets at fair value through other comprehensive income	99,867	-	-	99,867
Total financial assets	99,867	21,670	-	121,537

Recurring fair value measurements at 31 December 2021 (Audited)	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial assets

Derivative financial assets	-	1,613	-	1,613
Financial assets at fair value through other comprehensive income	91,373	-	-	91,373
Total financial assets	91,373	1,613	-	92,986

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

12. Transactions with related parties

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

	(Un-audited) Nine Months Ended		(Un-audited) Three Months Ended	
	September 30 2022	September 30 2021	September 30 2022	September 30 2021
	(Rupees in thousand)			
Associated companies				
Sale of goods	8,407	61,832	(10,674)	10,214
Purchase of goods	2,354,379	-	1,431,019	-
Donations made	48,953	37,318	15,605	10,773
Cash dividend paid	637	637	-	-
Loan Disbursed	100,000	40,000	-	-
Repayment of Loan	-	90,000	-	65,000
Equity Investment	-	40,000	-	40,000
Share Deposit Money Received	1,469,116	2,289,119	610,223	315,504
Share Capital Issued	880,000	2,288,000	880,000	308,000
Interest received	1,812	3,120	975	1,572
Interest charged	6,928	2,318	5,134	415
Key management personnel - Directors & their spouses				
Cash dividend paid	155,024	157,791	-	-
Bonus shares issued	-	105,194	-	-
Remuneration	131,022	126,589	39,855	23,176
Shares Issued	6,500	-	6,500	-
Meeting fee to directors - non executive	3,680	3,062	1,040	982
Other related parties				
Employees' retirement benefits	230,599	181,566	90,967	62,811
Bonus Shares	-	10,906	-	-
Cash Dividend	16,359	16,360	-	-

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

For the nine months ended September 30, 2022

(ii) Period end balances

As at 30 September 2022 (Un-audited)			
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Employee benefit plans	-	390,601	390,601
Trade debts	448	-	448
Trade & Other Payables	69,123	-	69,123
Accrued Interest	5,134	-	5,134
Loans and advances	130,000	-	130,000

As at 31 December 2021 (Audited)			
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Employee benefit plans	-	352,772	352,772
Trade debts	105,111	-	105,111
Accrued Interest	18	-	18
Loans and advances	30,000	-	30,000

13. 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, 2021.

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 October 27, 2022 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 has been compared with the balances of annual audited financial statements of preceding financial year, whereas, condensed consolidated interim statement of changes in equity, the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows have been compared with the amounts of comparable period of immediately preceding financial year.

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

16. General

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

رجسٹرڈ آفس نمبر 143/17 سری وکر ماماوتھا کو لمبو 15 پر واقع ہے اور اس کا کاروباری مرکز کا توٹنکے میں واقع ہے۔

SIL گلف FZE

SIL گلف FZE، سروس انڈسٹریز لمیٹڈ کا ایک مکمل ملکتی ذیلی ادارہ ہے، جو متحدہ عرب امارات میں قابل اطلاق قوانین کے تحت تشکیل دیا گیا ہے۔ کمپنی کا بنیادی مقصد ٹائر اور اس سے متعلقہ مصنوعات کی فروخت ہے۔

منجانب بورڈ



عمر سعید
ڈائریکٹر



عارف سعید
چیف ایگزیکٹو

اکتوبر 27، 2022

لاہور

گروپ کی ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی نوامی کی 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 ملکی ذیلی ادارہ ہے، سروس گلوبل فنڈ ویئر لمیٹڈ جو کہ سروس انڈسٹریز لمیٹڈ کا جزوی ملکی ذیلی ادارہ ہے، سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ جو کہ سروس انڈسٹریز لمیٹڈ کا جزوی ملکی ذیلی ادارہ ہے اور سروس شوولڈرکا (پرائیویٹ) لمیٹڈ جو کہ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا جزوی ملکی ذیلی ادارہ ہے اور SIL گلف FZE جو کہ سروس انڈسٹریز لمیٹڈ کا مکمل ملکی ذیلی ادارہ ہے، پر مشتمل ہے۔

سروس انڈسٹریز لمیٹڈ

30 ستمبر 2022 کو ختم ہونے والی نوامی کی سروس انڈسٹریز لمیٹڈ کی کارکردگی پر ڈائریکٹرز کے تبصرہ کی رپورٹ الگ سے پیش کی گئی ہے۔ سروس انڈسٹریز لمیٹڈ نے انٹر نیشنل فنانسینشل رپورٹنگ اسٹینڈرڈز اینڈ کیپیٹل ایکٹ 2017 کے تقاضوں کے مطابق اپنے مجموعی گوشواروں کے ساتھ اپنی انفرادی مختصر عبوری مالیاتی معلومات کو اس رپورٹ میں منسلک کر دیا ہے۔

سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ

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

سروس گلوبل فنڈ ویئر لمیٹڈ

سروس گلوبل فنڈ ویئر لمیٹڈ 19 جولائی 2019 کو پاکستان میں ایک پبلک لمیٹڈ کمپنی کے طور پر کیپیٹل ایکٹ 2017 کے تحت تشکیل دیا گیا تھا۔ کمپنی کی بنیادی سرگرمیاں جوئے چڑے اور متعلقہ مصنوعات کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد ہے۔ سروس گلوبل فنڈ ویئر لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 79.75% (80% 2021) حصص ہیں۔ 30 ستمبر 2022 کو ختم ہونے والی نوامی کی سروس گلوبل فنڈ 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 کیپیٹل ایکٹ، 2017 (XIX) کے تحت تشکیل دی گئی تھی۔ کمپنی کا رجسٹرڈ آفس سروس ہاؤس، 2 مین گلبرگ، لاہور میں واقع ہے۔ کمپنی کی بنیادی کاروباری سرگرمیاں ریڈیل ٹرک اور بس ٹائزوں کی تیاری، فروخت، مارکیٹنگ کی درآمد اور برآمد ہے۔ سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 32.09% (32.09% 2021) حصص ہیں اور سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس گلوبل فنڈ ویئر لمیٹڈ کی حصص 18.91% (18.91% 2021) ہے۔

سروس انڈسٹریز لمیٹڈ اور سروس گلوبل فنڈ ویئر لمیٹڈ - ذیلی کمپنی کے پاس مجموعی طور پر سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ کے حصص کا 51% حصہ ہے اور اس طرح سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ کے بورڈ کی تشکیل کی مجاز ہیں۔

سروس شوولڈرکا (پرائیویٹ) لمیٹڈ

سروس شوولڈرکا (پرائیویٹ) لمیٹڈ، سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا جزوی ذیلی ادارہ ہے، جو کہ سروس انڈسٹریز لمیٹڈ کا مکمل ملکی ماتحت ادارہ ہے۔ سروس شوولڈرکا (پرائیویٹ) لمیٹڈ ایک پرائیویٹ لمیٹڈ لائسنسڈ کمپنی ہے جو 16 جولائی 2015 کو کیپیٹل ایکٹ 2007 کی دفعات کے تحت سری لنکا میں تشکیل دی گئی۔ کمپنی کا

اظہارِ تشکر

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

منجانب بورڈ



عمر سعید
ڈائریکٹر



عارف سعید
چیف ایگزیکٹو

اکتوبر 27، 2022

لاہور

جائزہ مدت میں 30 ستمبر 2022 تک یہ تعداد بڑھ کر 132 اسٹورز ہو گئی، جو کہ دسمبر 2021 کے آخر میں 91 تھی۔ یہ زبردست اضافہ گزشتہ سال کی گئی ان اصلاحات کی بنیاد پر مبنی ہے جس کے نتیجے میں علاقے کی مناسبت سے مصنوعات فروخت کرنا، فروخت پر مناسب رعایت، جو توں کا مناسب سٹاک رکھنا اور بہتر پروڈکٹ پورٹ فولیو کے ذریعے مجموعی مارجن میں بہتری آئی۔ گاہکوں کو متوجہ کرنے کیلئے آن لائن پلیٹ فارم اور اپنے معروف برانڈ کو دوبارہ نئی نگاہ پر متعارف کرنے کے سے ریٹیل ڈویژن کی فروخت میں مزید اضافہ ہو گا۔ انتظامیہ اس سال کے آخر تک ریٹیل اسٹورز کی کل تعداد کو 150 سے زائد تک پہنچانے کے لیے انتہائی پرجوش ہے، جو پہلے سے مقرر کردہ تعداد سے بہت زیادہ ہے۔

بڑی تکنیکی مصنوعات

بڑی تکنیکی مصنوعات کی مدت میں بھی اداروں کو فروخت میں نمو جاری ہے، تاہم زیر جائزہ مدت کے ابتدائی حصے میں فروخت کی سطح میں کمی واقع ہوئی لیکن اس شعبے نے زیر جائزہ مدت کے آخری حصے میں اچھی کارکردگی کا مظاہرہ کیا ہے جس میں مجموعی طور پر فروخت 260 ملین روپے سے بڑھ کر 301 ملین روپے ہو گئی جو کہ 16 فیصد کا اضافہ ظاہر کرتا ہے۔ اس ڈویژن کے مستقبل کے امکانات کافی امید افزا ہیں، بہت سے آرڈرز موصول ہو چکے ہیں اور مزید متوقع ہیں۔

ذیلی کمپنیاں

زیر جائزہ مدت، کمپنی کی قدر میں کثیر اضافے کا دورانیہ رہا ہے سروس لانگ مارچ ٹائز (پرائیویٹ) لمیٹڈ جو کسروس انڈسٹریز لمیٹڈ کا ذیلی ادارہ ہے اور پاکستان کی ذیلی آئٹیل اور ریڈیل ٹائز بنانے والی کمپنی ہے سروس لانگ مارچ ٹائز (پرائیویٹ) لمیٹڈ میں اس وقت پیداوار پوری رفتار سے جاری ہے، اور پیداوار اور فروخت کے اہداف حاصل کر رہی ہے۔ انتظامیہ مستقبل میں بہتر نتائج حاصل کرنے کیلئے پراعتماد ہے اور یہ سرمایہ کاری حصص یافتگان کی مالیت کو مزید مستحکم کرے گی۔ کمپنی نے اس نوماہی میں اپنی ذیلی کمپنی میں مزید 1,080 ملین کی سرمایہ کاری کی ہے۔

اس نوماہی میں کمپنی کو اپنی ذیلی کمپنی سروس گلوبل فنڈ وینور لمیٹڈ سے 736 ملین روپے کا ڈیویڈنڈ حاصل ہوا ہے۔ کمپنی مستقبل قریب میں اپنی ذیلی کمپنیوں سے مزید ڈیویڈنڈ کی توقع رکھتی ہے۔

فی شیئر آمدنی

اس نوماہی میں فی شیئر آمدنی 11.88 روپے رہی جو پچھلے سال کی اسی مدت میں 4.33 روپے تھی۔

مستقبل پر ایک نظر

ہمیں امید ہے کہ پیداواری صلاحیتوں، ریٹیل نیٹ ورک اور آمدن فروخت کو بڑھانے میں سرمایہ کاری کرنے کے فیصلے سے کمپنی کو سال 2022 کے بقیہ حصے میں بہتر نتائج حاصل کرنے میں مدد ملے گی۔ علاوہ ازیں، ہمارے برانڈ کی مضبوطی اور ہماری صلاحیتوں کی بدولت ہم مستقل جو توں اور ٹائز دونوں شعبوں میں سب سے آگے ہیں۔

ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی نو ماہی کی سروس انڈسٹریز لمیٹڈ کی انفرادی مختصر عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالی کارکردگی کا موازنہ

30 ستمبر 2022 کو ختم ہونے والی نو ماہی کی سروس انڈسٹریز لمیٹڈ کی انفرادی عبوری مالیاتی کارکردگی درج ذیل ہے۔

نو ماہی اختتام		تفصیلات	
فیصد تبدیلی	ستمبر 30، 2021 روپے ہزار میں	ستمبر 30، 2022 روپے ہزار میں	
33%	23,723,243	31,454,889	خالص فروخت
56%	3,724,682	5,818,869	گراس منافع
164%	1,185,141	3,122,983	آپریٹنگ منافع
174%	203,672	558,051	منافع بعد از ٹیکس

سروس انڈسٹریز لمیٹڈ نے اس نو ماہی میں اپنے مالیاتی گوشواروں کے مطابق 31.455 ارب روپے کی آمدن فروخت حاصل کی ہے جو کہ گزشتہ سال کی اسی نو ماہی کے مقابلے میں 33% زیادہ ہے۔ آپریٹنگ منافع 3,123 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں 1,185 ملین روپے تھا۔ بعد از ٹیکس حاصل منافع 558 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں 204 ملین روپے تھا۔

ٹائز ڈویژن

ٹائز ڈویژن گزشتہ کئی سالوں سے سروس انڈسٹریز لمیٹڈ کا سب سے زیادہ آمدن فروخت والا شعبہ ہے۔ اس نو ماہی میں ٹائز ڈویژن کی آمدن فروخت میں نمایاں اضافہ ہوا۔ جو کہ گزشتہ سال کی اسی مدت میں 18.7 ارب روپے تھی جو بڑھ کر اب 23.8 ارب روپے ہو گیا۔

عالمی سطح پر خام مال کی قیمتوں میں اضافے اور روپے کی قدر میں اتار چڑھاؤ، توانائی کی لاگت میں اضافے، ترسیل کے اخراجات میں اضافے اور اسٹیٹ بینک آف پاکستان کی طرف سے شرح سود میں اضافے کی وجہ سے موجودہ نو ماہی میں کمپنی کے ٹائز شعبے کا منافع متاثر ہوا ہے۔

تاہم، ان مشکلات کے باوجود ہماری ٹائز ڈویژن کی انتظامیہ اپنی سہا کر پر انحصار کرتے ہوئے اپنے کاروباری تناسب کو قائم رکھنے کے لئے پرعزم ہے۔ قیمتوں کا تعین کرنے کے طریقہ کار پر نظر ثانی کی گئی تاکہ منافع کو متناسب سطح پر برقرار رکھا جاسکے اور یہ بھی یقینی بنایا جاسکے کہ ہمارے گاہکوں کا اعتماد بحال رہے۔ انتظامیہ نے اس عرصے میں پیداواری استعداد بڑھانے میں تدریجاً سرمایہ کاری کی ہے جس کے نتیجے میں اس سال ٹائز کی اقسام میں مزید اضافہ ہو گا اور پیداواری لاگت بھی کم رہے گی۔

ہم نے موثر سائیکل کی چین اور گرامری بھی تیار کرنے شروع کر دی ہے۔ آنے والے سالوں میں اس کاروبار سے اچھے نتائج متوقع ہیں۔

فٹ وئیر ڈویژن

جو توں کی آمدن فروخت اس نو ماہی میں 7.4 ارب ہو گئی، جو کہ گزشتہ سال کی اسی نو ماہی میں 4.8 ارب روپے تھی اس طرح 2.6 ارب روپے یعنی 53% فیصد کا اضافہ ہوا ہے۔ اگرچہ جو توں کے مقامی کاروبار کو سخت مشکلات کا سامنا کرنا پڑ رہا ہے کیونکہ ملک میں خوردہ مارکیٹ دباؤ کا شکار ہے، انتظامیہ بہتر منصوبہ بندی، خام مال کی مناسب قیمت پر خریداری، بہتر ملی جلی مصنوعات کی فروخت اور قیمتوں کی نگرانی اور اضافے کے ذریعے جو تے کے مقامی کاروبار کے منافع کو بڑھانے کے لیے پرعزم ہے۔ اس مشکل صورت حال میں، کم منافع کے باوجود، دستیاب پیداواری استعداد کو بروئے کار لانے کے لیے کمپنی نے اداروں سے کاروبار مزید بڑھایا۔

ریشیل کاروبار ترقی کی راہ پر گامزن ہے اور ریشیل اسٹورز کانٹورک اب تقریباً پورے ملک میں پھیل چکا ہے۔ 2021 میں اسٹورز کی تعداد تقریباً دو گنی ہو گئی، اور زیر

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