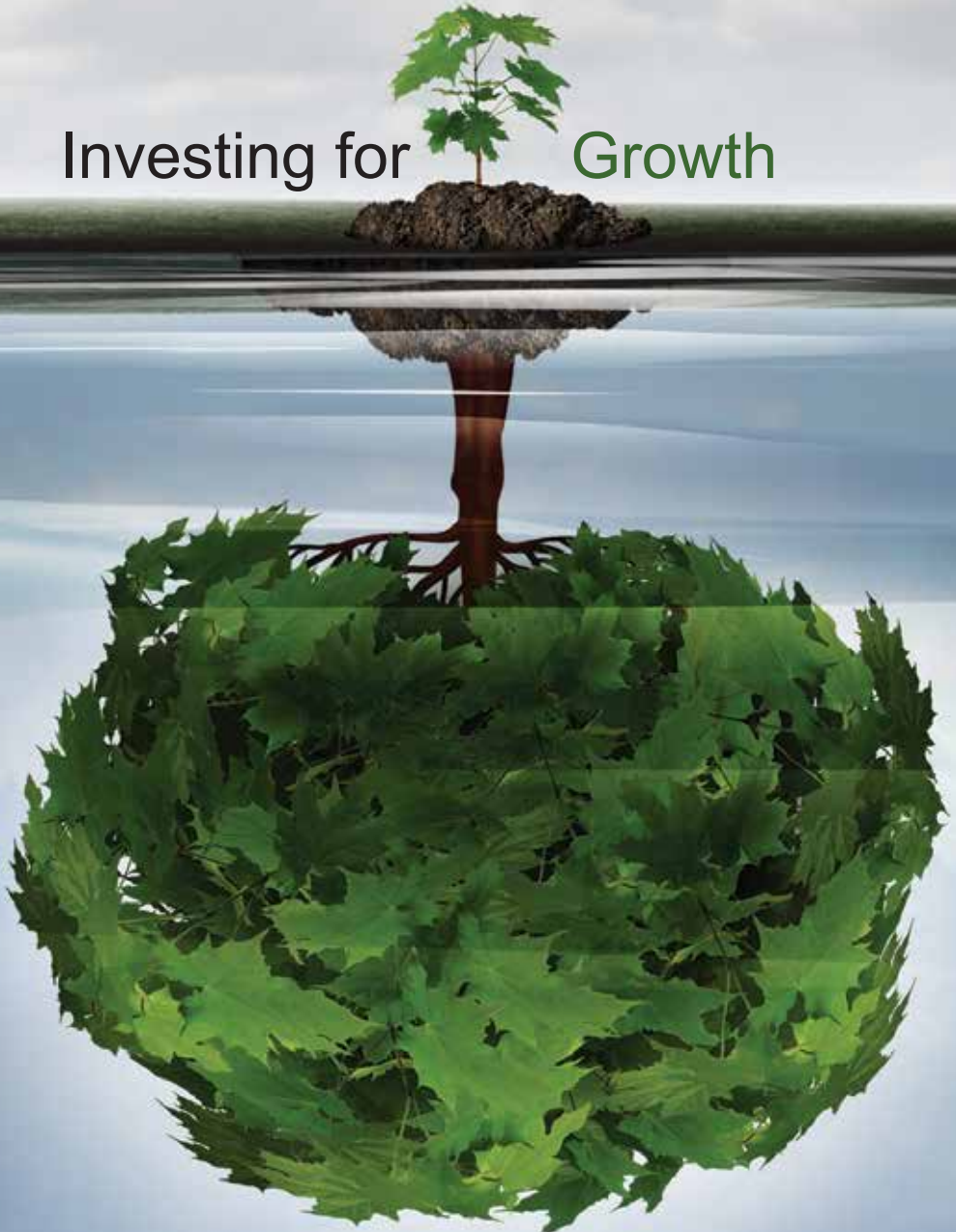


Investing for Growth



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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

Factories

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

Web Presence

www.servisgroup.com

Directors' Report to the Shareholders

The Directors take pleasure in presenting their Report along with the unconsolidated condensed interim financial statements of Service Industries Limited ("SIL") for the nine months ended September 30, 2023.

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, 2023.

Particulars	Nine Months Ended		
	September 2023 (Rupees in thousand)	September 2022 (Rupees in thousand)	Percentage Change
Net Sales	41,388,905	31,454,889	31.58%
Gross Profit	9,800,960	5,818,869	68.43%
Operating profit	5,347,266	3,122,983	71.22%
Profit after tax	1,098,779	558,051	96.90%
Earnings Per Share (Rs.)	23.38	11.88	96.90%

For the nine months under review, the Company' topline increased by 31.58% reaching the level of PKR 41.39 billion as compared to PKR 31.45 billion in the corresponding period last year. Margin improvement in footwear and tyre segments led to healthy increase in gross profits, witnessing an increase of 68.43% when compared with corresponding period last year. Despite unprecedented increase in financial charges led by policy rate escalations coupled with heavy burden of taxation due to imposition of super tax @ 10%, the Company still managed to double its profit after tax which clocked in at PKR 1.099 billion from PKR 0.558 billion in the same period last year registering a hefty increase of 96.9%.

Tyre Division

Tyre Division, which is engaged in manufacturing of tyres, tubes and spare parts for automobiles, is the major contributor to revenue stream of the Company. Overall sales of the division enhanced by 26%, reaching PKR 29.91 billion for the nine months ended September 2023 as compared to PKR 23.78 billion in the same period last year. This includes 83% increase in export sales, which were both volume and devaluation driven.

Management have been approaching towards cost-push factors proactively, by taking price increases at the precise times, which led to increase in sales revenue and improved margins, while keeping the customer base intact. This itself is a testament to the repute of the brand "Servis" and loyalty of its customers which the Company has earned over the years. However, sky rocketing inflation is resulting in lower demands due to impoverished purchasing power of the masses and this remains a challenge for the entire industry.

Owing to overwhelming response in Agri Tyre Sector, the Company is undergoing an investment in a specific category of Agri tyre which will double its capacity in that specific tyre size. Further, installation of 132 KV Grid Station, which is under construction, is progressing as per planned schedule. Another step taken to achieve optimum utilization of energy mix is inclusion of a rental bio mass boiler.

Footwear Division

Footwear segment witnessed increase in topline, with sales rising from PKR 7.38 billion in nine months ended September 2022 to PKR 11.08 billion in current nine months period under review. This segment of the Company is dominated by the domestic business. The local sales of the segment enhanced by 64% over these nine months. This is mainly due to expansion of retail network where 60 new stores have been added since January 2023, bringing the total tally to 212 stores. The management intends to ensure coverage of retail network across the country by adding further stores in the future.

In order to bring diversity in the product offerings, a range of Apparel is now being introduced at online store and some selected stores in Lahore region to gauge the customer response. The management is hopeful that this addition in retail portfolio would further add up to the profits.

Technical Rubber Products

The segment has shown reasonable increase in numbers, sales almost increased by 31% and attained the level of PKR 395.27 million in period under review.

SUBSIDIARY COMPANIES

Service Long March Tyres (Private) Limited (SLM)

This year has been a phenomenal year for SLM. During the nine months ended September 30, 2023, profit after tax clocked in at PKR 1.12 billion against a loss of PKR 513 million for same period last year. SLM is presently operating at full capacity. The future outlook is extremely promising which is expected to contribute significantly to the profitability of SIL in future in the form of dividend income.

Service Global Footwear Limited (SGFL)

Sales increased significantly to PKR 11.93 billion for the nine months ended September 30, 2023 as compared to PKR 8.53 billion for same period last year. Profit after tax also grew by 73.03% clocking in at PKR 791 million. SIL received a dividend income of PKR 164 million from SGFL during the nine months ended September 30, 2023.

Earnings Per Share (EPS)

The earnings per share of the Company stood at PKR 23.38 for the nine months period ended September 30, 2023 as compared to PKR 11.88 in the same period last year.

Future Outlook

Pakistan's economy is going through a stressful phase since long now, any improvement to the current scenario seems an uphill task, as structural improvements are need of the hour which requires the Government to take difficult decisions. The domestic demand patterns for necessities and luxury items are impacted due to higher inflation. Political uncertainty has led to inconsistent policy-making. Economic conditions internationally have further added to the woes of the country. However, current bans on smuggled goods are definitely a good news for the local industry. Further, the current strengthening of PKR is a good omen though it is yet to stand the test of time.

The management of the Company is highly cognizant of current prevailing business environment. Focus is to maintain the growth in all segments and to ensure appropriate margins are earned. A prudent business planning is the need of the hour to which the management of the company is equally equipped. The Management is on a constant lookout for events that may present any opportunity to capitalize.

Acknowledgment

In the end we extend our sincere appreciation to the entire Board for their judicious advice, to all our employees for their relentless efforts and commitment and to our all our customers for their loyalty. We also wish to extend our gratitude to our shareholders for their support and trust.

For and on behalf of the Board



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)

October 27, 2023
Lahore.

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A stack of financial documents is shown, including a ledger with columns and rows, several pie charts, and line graphs. The documents are slightly blurred, suggesting a focus on the text overlay. The overall color palette is muted, with greys and whites, and the text is in a dark green color.

**Unconsolidated
Condensed Interim
Financial Statements**

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2023

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note		
	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
100,000,000 (31 December 2022: 100,000,000) ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid up share capital		
46,987,454 (31 December 2022: 46,987,454) ordinary shares of Rupees 10 each	469,874	469,874
Reserves	7,649,579	6,801,547
Total equity	8,119,453	7,271,421
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	8,496,652	7,102,730
Long term deposits	1,440	1,915
Lease liabilities	4,518,702	3,721,780
Employees' retirement benefit	224,988	214,459
Deferred liabilities	644,676	616,041
	13,886,458	11,656,925
CURRENT LIABILITIES		
Trade and other payables	8,445,018	6,359,206
Accrued mark-up	782,661	612,873
Short term borrowings	11,998,702	11,699,132
Current portion of non-current liabilities	2,468,565	2,608,205
Unclaimed dividend	44,308	42,030
	23,739,254	21,321,446
Total liabilities	37,625,712	32,978,371
Contingencies and commitments	4	
TOTAL EQUITY AND LIABILITIES	45,745,164	40,249,792

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



Arif Saeed
(Chief Executive)

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	12,112,154	10,736,350
Right-of-use assets		3,968,766	3,386,718
Intangible assets		7,974	9,376
Long term investments	6	8,014,136	7,987,951
Long term loans to employees		19,154	13,422
Long term security deposits		244,874	188,810
		24,367,058	22,322,627
CURRENT ASSETS			
Stores, spares and loose tools		573,427	568,953
Stock in trade		11,356,048	9,164,082
Trade debts		5,962,369	4,914,679
Loans and advances		1,186,257	695,309
Advance income tax - net of provision for taxation		302,499	536,034
Trade deposits and prepayments		299,563	236,834
Other receivables		359,442	205,067
Short term investment		179,914	181,615
Cash and bank balances		1,158,587	1,424,592
		21,378,106	17,927,165
TOTAL ASSETS		45,745,164	40,249,792



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2023

	Note	(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(Rupees in thousand)					
Revenue	7	41,388,905	31,454,889	14,835,899	10,772,095
Cost of sales	8	(31,587,945)	(25,636,020)	(11,304,467)	(8,809,992)
Gross profit		9,800,960	5,818,869	3,531,432	1,962,103
Distribution cost		(3,342,121)	(2,395,940)	(1,205,937)	(829,135)
Administrative expenses		(1,446,251)	(1,091,897)	(530,865)	(386,854)
Other expenses		(216,046)	(137,405)	(63,629)	(42,915)
		(5,004,418)	(3,625,242)	(1,800,431)	(1,258,904)
		4,796,542	2,193,627	1,731,001	703,199
Other income		550,724	929,356	81,279	427,197
Profit from operations		5,347,266	3,122,983	1,812,280	1,130,396
Finance cost		(3,463,305)	(2,053,562)	(1,252,427)	(803,330)
		1,883,961	1,069,421	559,853	327,066
Share of profit in equity accounted investee - net of taxation		41,995	9,449	16,207	5,242
Profit before taxation		1,925,956	1,078,870	576,060	332,308
Taxation		(827,177)	(520,819)	(270,687)	(260,436)
Profit after taxation		1,098,779	558,051	305,373	71,872
Earnings per share - basic and diluted (Rupees)		23.38	11.88	6.50	1.53

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 nine months ended September 30, 2023

	(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Rupees in thousand)			
Profit after taxation	1,098,779	558,051	305,372	71,872
Other comprehensive income / (loss)				
Items that will not be reclassified to profit or loss:				
(Deficit) / surplus arising on remeasurement of investment at fair value through other comprehensive income - net of tax	(15,810)	13,682	(4,360)	39,936
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive (loss) / income for the period - net of tax	(15,810)	13,682	(4,360)	39,936
Total comprehensive income for the period	1,082,969	571,733	301,012	111,808

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 nine months ended September 30, 2023

	Reserves										Total Equity	
	Share Capital	Capital Reserves					Revenue Reserves					Total
		Capital gains	Fair value reserve FVOCI investment	Share premium	Share of share premium reserve held by equity accounted investee	Reserve pursuant to the Scheme	SubTotal	General reserve	Un-appropriated profit	Sub total		
Rupees in thousand												
Balance as at 31 December 2021 - audited	469,874	102,730	64,998	21,217	23,935	927,163	1,140,043	1,558,208	4,140,056	5,698,264	6,838,307	7,308,181
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	-	558,051	558,051	571,733	571,733
Balance as at 30 September 2022 - un-audited	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
Balance as at 31 December 2022-audited	469,874	102,730	55,892	21,217	23,935	927,163	1,130,937	1,558,208	4,112,402	5,670,610	6,801,547	7,271,421
Transactions with owners:												
Final dividend for the year ended 31 December 2022 @ Rupees 5 per share	-	-	-	-	-	-	-	-	(234,937)	(234,937)	(234,937)	(234,937)
Profit for the nine months ended 30 September 2023	-	-	-	-	-	-	-	-	1,098,779	1,098,779	1,098,779	1,098,779
Other comprehensive loss for the nine months ended 30 September 2023	-	-	(15,810)	-	-	-	(15,810)	-	-	-	(15,810)	(15,810)
Total comprehensive (loss)/income for the nine months ended 30 September 2023	-	-	(15,810)	-	-	-	(15,810)	-	1,098,779	1,098,779	1,082,969	1,082,969
Balance as at 30 September 2023 - un-audited	469,874	102,730	40,082	21,217	23,935	927,163	1,115,127	1,558,208	4,976,244	6,534,452	7,649,579	8,119,453

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 nine months ended September 30, 2023

	Note	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
(Rupees in thousand)			
Cash flow from operating activities			
Cash generated from operations	11	4,570,781	1,689,521
Finance cost paid		(2,896,862)	(1,806,695)
Income tax paid		(585,238)	(567,764)
WPPF Paid		(36,282)	-
WWF Paid		(12,091)	-
Staff retirement benefits paid		(18,311)	(20,992)
Long term loans - net		(5,732)	10,976
Long term security deposits - net		(56,064)	(67,352)
Net cash generated from / (used in) operating activities		960,201	(762,306)
Cash flow from investing activities			
Capital expenditure on fixed assets		(2,202,195)	(3,126,178)
Proceeds from disposal of fixed assets		21,445	-
Capital expenditure on intangibles assets		-	(1,671)
Short term investment - net		20,647	(23,971)
Long term investment made		-	(1,187,044)
Dividend received		163,550	-
Net cash used in investing activities		(1,996,553)	(4,338,864)
Cash flows from financing activities			
Long term financing - net		1,245,111	2,393,968
Long term deposit - net		(475)	-
Short term borrowings - net		299,570	3,764,070
Repayment of lease liabilities		(541,200)	(127,050)
Dividend paid		(232,659)	(335,860)
Net cash from financing activities		770,347	5,695,128
Net (decrease) / increase in cash and cash equivalents		(266,005)	593,958
Cash and cash equivalents at the beginning of the period		1,424,592	699,296
Cash and cash equivalents at the end of the period		1,158,587	1,293,254

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 nine months ended September 30, 2023

1 The Company and its Operations

Service Industries Limited (the Company) was incorporated as a private limited Company on 20 March 1957 in Pakistan under the Companies Act, 1913 (now Companies Act, 2017), was converted into a public limited Company on 23 September 1959 and got listed on 27 June 1970. The shares of the Company are quoted on Pakistan Stock Exchange 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, spare parts of automobiles 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 2022.

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 2022.

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 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 2022 except as follows:

4.1.1 Guarantees issued in ordinary course of business through banks are of Rupees 3,891.071 million (31 December 2022: Rupees 2,453.647 million).

4.2 Commitments

4.2.1 Contracts for capital expenditure are approximately of Rupees 72.647 million (31 December 2022: Rupees 384.709 million).

4.2.2 Letters of credit other than capital expenditure are of Rupees 2,926.441 million (31 December 2022: Rupees 1,589.768 million).

4.2.3 The Company has obtained vehicles under ijarah arrangements from Meezan Bank Limited and Bank Al Habib Limited for a period of four years. Ijarah rentals are payable on half yearly and monthly basis. Future Ujrah payments under Ijarah are as follows:

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
(Rupees in thousand)			
Not later than one year		37,723	61,463
Later than one year and not later than five years		11,541	43,657
		49,264	105,120

5 Fixed assets

Operating fixed assets	5.1	10,137,453	8,800,881
Capital work-in-progress	5.2	1,974,701	1,935,469
		12,112,154	10,736,350

5.1 Operating fixed assets

Opening net book value		8,800,881	7,375,009
Add: Cost of additions during the period / year	5.1.1	2,162,963	2,294,816
Less: Book value of deletions / adjustment during the period / year	5.1.2	(18,979)	(16,645)
Less: Depreciation charged during the period / year		(807,412)	(852,299)
Closing net book value		10,137,453	8,800,881

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

For the nine months ended September 30, 2023

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in thousand)	
5.1.1 Cost of additions during the period / year		
Freehold land	-	95,896
Buildings on freehold land	312,588	187,474
Plant and machinery	1,015,005	1,260,253
Furniture, fixture and fittings	39,881	36,978
Vehicles	255,115	140,057
Service equipment	321,018	285,675
Leasehold improvements	219,356	288,483
	2,162,963	2,294,816
5.1.2 Book value of deletions / adjustments during the period / year		
Cost of deletions / adjustment		
Freehold land	-	5,520
Buildings on freehold land	-	5,980
Plant and machinery	-	371
Furniture, fixture and fittings	577	3,708
Vehicles	16,666	1,651
Service equipment	8,577	6,099
Leasehold improvements	3,527	807
	29,347	24,136
Less: Accumulated depreciation	(10,368)	(7,491)
Book value of deletions during the period / year	18,979	16,645
5.2 Capital work-in-progress		
Buildings on freehold land	153,585	313,703
Plant and machinery	1,301,806	1,013,423
Furniture, fixture and fittings	16,193	3,664
Advances against capital expenditures	28,396	159,352
Service equipment	474,721	441,204
Leasehold improvements	-	4,123
	1,974,701	1,935,469

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	(Rupees in thousand)	
6	Long term investments		
	Investments in subsidiary companies - at cost	6.1	7,559,766
	Investment in associate (with significant influence) - under equity method	6.2	386,154
	Investments in joint ventures	6.3	-
	Other investment - at FVTOCI	6.4	68,216
		8,014,136	7,987,951
6.1	Investments in subsidiary companies - at cost		
	Service Industries Capital (Private) Limited - unquoted		
	40,000,000 (31 December 2022: 40,000,000) fully paid ordinary shares of Rupees 10 each Equity held 100% (31 December 2022: 100%)	400,000	400,000
	Service Global Footwear Limited - quoted		
	163,550,000 (31 December 2022: 163,550,000) fully paid ordinary shares of Rupees 10 each Equity held 79.43% (31 December 2022: 79.75%)	3,026,184	3,026,184
	Service Long March Tyres (Private) Limited - unquoted		
	411,233,350 (31 December 2022: 411,233,350) fully paid ordinary shares of Rupees 10 each Equity held 32.09% (31 December 2022: 32.09%)	4,126,367	4,126,367
	SIL GULF FZE - unquoted		
	1 (31 December 2022: 1) fully paid share of UAE Dirhams 150,000 Equity held 100% (31 December 2022: 100%)	7,215	7,215
		7,559,766	7,559,766

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

For the nine months ended September 30, 2023

(Un-audited) (Audited)
September December
30, 2023 31, 2022
(Rupees in thousand)

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

Speed (Private) Limited - unquoted

160,709 (31 December 2022: 160,709) fully paid ordinary shares of Rupees 100 each **190,949** 190,949
Equity held 21.90% (31 December 2022: 21.90%)

Share of post acquisition reserve

As at the beginning of the period / year

153,210 124,622

Add: Share of post acquisition profit for the period / year

41,995 28,588

195,205 153,210

386,154 344,159

6.3 Investments in joint ventures

S2 Power Limited - unquoted

24,000 (31 December 2022: 24,000) fully paid ordinary shares of Rupees 10 each

240 240

S2 Hydro Limited - unquoted

24,000 (31 December 2022: 24,000) fully paid ordinary shares of Rupees 10 each

240 240

480 480

Less : Impairment loss recognized

(480) (480)

6.4 Other investment - at FVTOCI

TRG Pakistan Limited - quoted

775,000 (31 December 2022: 775,000) fully paid ordinary shares of Rupees 10 each **17,089** 17,089

Fair value adjustment **51,127** 66,937

68,216 84,026

(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022

(Rupees in thousand)

7 Revenue

Sales of footwear - net

Export sales	1,318,004	1,411,992	648,933	642,402
Local sales	9,652,098	5,871,873	2,985,393	2,059,253
Processing income	109,335	92,333	53,794	73,790
	11,079,437	7,376,198	3,688,120	2,775,445

Sales of tyres - net

Export sales	4,724,715	2,588,479	1,712,570	1,081,412
Local sales	22,789,797	18,904,518	8,220,955	5,958,991
	27,514,512	21,492,997	9,933,525	7,040,403

Sales of spares parts for automobiles - net

Local sales	2,399,678	2,284,714	875,777	798,725
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Sales of technical rubber products - net

Local sales	395,278	300,980	338,477	157,522
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	41,388,905	31,454,889	14,835,899	10,772,095
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Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the nine months ended September 30, 2023

	(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Rupees in thousand)			
8				
Cost of sales				
Raw materials consumed	21,361,063	17,041,126	7,325,254	5,119,364
Salaries, wages and other benefits	2,558,697	2,169,941	947,428	797,996
Stores and spares consumed	374,797	205,250	155,787	56,848
Packing materials consumed	760,574	541,152	297,459	182,821
Fuel and power	1,808,658	1,717,574	631,025	615,322
Insurance	45,563	31,568	15,178	12,428
Travelling and conveyance	47,463	30,803	19,492	14,676
Repair and maintenance	227,275	171,370	85,250	50,742
Entertainment	13,747	5,014	5,444	3,384
Depreciation	616,189	500,236	216,119	172,337
Provision for/(reversal) of slow moving and obsolete inventory	42,489	17,104	(13,250)	2,204
Processing charges	5,641	45,243	1,241	39,150
Other manufacturing charges	86,609	88,111	27,094	43,154
	27,948,765	22,564,492	9,713,521	7,110,426
Work in process:				
Movement in work in process	(373,554)	(505,185)	239,857	200,134
Cost of goods manufactured	27,575,211	22,059,307	9,953,378	7,310,560
Finished goods:				
Movement in finished goods	4,012,734	3,576,713	1,351,089	1,499,432
	31,587,945	25,636,020	11,304,467	8,809,992

9 Segment information

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

Footwear:

Purchase, manufacturing and sale of different qualities of footwear.

Tyre:

Manufacturing of different qualities of tyres and tubes.

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

Footwear (Un-audited)	Tyre (Un-audited)	Others (Un-audited)	Total - Company (Un-audited)
Nine Months Ended	Nine Months Ended	Nine Months Ended	Nine Months Ended
September 30, 2022	September 30, 2022	September 30, 2022	September 30, 2022
September 30, 2023	September 30, 2023	September 30, 2023	September 30, 2023

(Rupees in thousand)

Sales	11,079,437	7,376,198	27,514,512	21,492,997	2,794,956	2,585,694	41,388,905	31,454,889
Profit / (loss) before taxation and unallocated income and expenses	677,406	214,021	4,485,328	2,348,938	(24,925)	213,431	5,137,809	2,776,390
Unallocated income and expenses - net Taxation							(3,211,853)	(1,697,520)
Profit after taxation							(827,177)	(520,819)
							1,098,779	558,051

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

For the nine months ended September 30, 2023

9.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Others		Total - Company	
	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022
(Rupees in thousand)								
Total assets for reportable segment	14,030,729	10,991,281	17,826,720	16,283,976	3,206,631	2,232,004	35,064,080	29,507,261
Unallocated assets							10,681,084	10,742,531
Total assets as per unconsolidated condensed interim statement of financial position							45,745,164	40,249,792
Unallocated liabilities							37,625,712	32,978,371
Total liabilities as per unconsolidated condensed interim statement of financial position							37,625,712	32,978,371

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 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 September 2023 - Un-audited	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			

Financial assets

Financial asset at fair value through other comprehensive income	68,216	-	-	68,216
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Recurring fair value measurements at 31 December 2022 - Audited	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			

Financial assets

Financial asset at fair value through other comprehensive income	84,026	-	-	84,026
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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 months ended 30 September 2023. 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.

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

For the nine months ended September 30, 2023

	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
Note	(Rupees in thousand)	
11 Cash generated from operations		
Profit before taxation	1,925,956	1,078,870
Adjustments for non-cash charges and other items:		
Depreciation	807,412	612,413
Depreciation on right-of-use assets	388,823	304,373
Amortization on intangible assets	1,400	1,457
Provision for gratuity	28,840	32,755
Finance cost	3,463,305	2,053,562
Provision for workers' profit participation fund	95,009	51,078
Provision for workers' welfare fund	29,846	3,885
Provision for slow moving and obsolete inventory	42,489	17,104
Allowance for expected credit losses	30,649	24,029
Share of profit in equity accounted investee	(41,995)	(9,449)
Gain on disposal of fixed assets	(2,466)	-
Exchange gain - net	(186,410)	-
Dividend income	(163,550)	-
Return on short term investment	(18,946)	-
Working capital changes	11.1 (1,829,580)	(2,480,556)
	4,570,781	1,689,521
11.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(46,963)	(53,256)
Stock in trade	(2,191,966)	(1,344,076)
Trade debts	(891,929)	(2,040,472)
Loans and advances	(490,948)	(330,091)
Prepayments	(62,729)	(37,864)
Other receivables	(154,375)	(301,157)
Increase in current liabilities:		
Trade and other payables	2,009,330	1,626,360
	(1,829,580)	(2,480,556)

12 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) Nine Months Ended		(Un-audited) Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(Rupees in thousand)				
(i) Transactions:				
Service Global Footwear Limited - Subsidiary company				
Short term loan obtained	9,764,491	8,431,702	6,334,494	2,459,445
Interest on loans	416,872	435,441	181,122	182,925
Sale of goods	299,091	109,792	109,579	32,176
Purchase of goods	233,793	49,455	91,820	22,797
Short term loan repaid	8,917,318	8,320,922	6,230,500	3,483,707
Long term loan repaid	250,000	-	-	-
Service provided	105,642	92,333	53,795	73,790
Expenses charged	200,282	172,219	72,328	70,591
Dividend received	163,550	735,975	-	408,875
Service Long March Tyres (Private) Limited - Subsidiary company				
Investment made	-	1,079,829	-	438,029
Sale of goods	222,181	425,595	27,744	323,852
Service provided	27,000	27,000	9,000	9,000
Expenses charged	2,933	6,826	980	5,388
Purchase of goods	55,486	-	14,647	-
Service Industries Capital (Private) Limited - Subsidiary company				
Investment made	-	100,000	-	-
SIL GULF FZE - Subsidiary company				
Investment made	-	7,215	-	-
Sale of goods	293,208	48,481	92,779	6,365
Jomo Technologies (Private) Limited - Associated company				
Purchase of fixed assets	11,403	-	750	-
Sale of goods	-	1,703	-	-

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

For the nine months ended September 30, 2023

	(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(Rupees in thousand)				
Donations paid to associated companies	54,234	48,953	23,907	15,605
Key management personnel and directors				
Cash dividend paid	103,349	155,024	-	-
Remuneration	108,530	131,022	29,221	39,855
Meeting fee to directors - non executive	2,480	2,080	800	560
Other related parties				
Employees' retirement benefit plans	149,525	126,499	47,384	43,390
Cash dividend paid	11,331	16,996	-	-

(ii) **Period end balances**

	As at 30 September 2023 (Un-audited)		
	Subsidiary company	Other related parties	Total
(Rupees in thousand)			
Employees' retirement benefit	-	268,262	268,262
Trade debts	89,920	-	89,920
Long term loan payable	2,000,000	-	2,000,000
Short term loan payable	854,792	-	854,792
Accrued mark-up	5,409	-	5,409

	As at 31 December 2022 (Audited)		
	Subsidiary company	Other related parties	Total
(Rupees in thousand)			
Employees' retirement benefit	-	246,620	246,620
Long term loan payable	2,250,000	-	2,250,000
Short term loan payable	7,618	-	7,618

13 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 2022.

14 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, 2023.

15 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.

16 General

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



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 ended September 30, 2023.

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

Service Industries Limited

The Director Report providing a commentary on the performance of Service Industries Limited for the nine months ended September 30, 2023 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% (2022: 79.75%) equity stake in Service Global Footwear Limited. The Director Report providing a commentary on the performance of Service Global Footwear Limited for the nine months ended September 30, 2023 has been presented in its separate report.

Service Long March Tyres (Private) Limited

Service Long March Tyres (Private) Limited is a Private Limited Company incorporated in Pakistan on January 07, 2020 under Companies Act, 2017 (XIX of 2017). The registered office of the Company is situated at Servis House, 2-Main Gulberg, Lahore. The principal line of business of the Company is to carry on the business of manufacturing, sale, marketing, import and export of all steel radial truck and bus tyres. The shareholding of Service Industries Limited in Service Long March Tyres (Private) Limited is 32.09% (2022:32.09%) and shareholding of Service Global Footwear Limited in Service Long March Tyres (Private) Limited is 18.91% (2022: 18.91%).

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

Service Shoes Lanka (Private) Limited (Discontinued Operations)

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 Wickerma 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.

For and on Behalf of the Board



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)

October 27, 2023

Lahore.

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A stack of financial documents is shown, including a ledger with columns and rows, several pie charts, and line graphs. The documents are slightly blurred, suggesting a focus on the text overlay. The overall color palette is muted, with greys and whites, and the text is in a dark green color.

**Consolidated
Condensed Interim
Financial Statements**

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2023

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
100,000,000 (2022: 100,000,000) ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid up share capital	469,874	469,874
Reserves	9,844,418	8,248,530
Non-controlling interest	7,177,242	6,580,739
Total equity	17,491,534	15,299,143
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	14,598,932	13,387,147
Long term deposits	1,440	1,915
Lease liabilities	4,518,702	3,721,780
Employees' retirement benefit	408,369	371,850
Deferred liabilities	2,270,091	2,369,499
	21,797,534	19,852,191
CURRENT LIABILITIES		
Trade and other payables	13,654,909	9,939,781
Accrued mark-up	1,251,779	1,139,189
Short term borrowings	23,434,382	23,436,108
Current portion of non-current liabilities	3,608,010	3,060,938
Unclaimed dividend	49,457	46,880
	41,998,537	37,622,896
Liabilities directly associated with the assets held for sale	889,797	582,594
Total liabilities	64,685,868	58,057,681
Contingencies and commitments	5	
TOTAL EQUITY AND LIABILITIES	82,177,402	73,356,824

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



Arif Saeed
(Chief Executive)

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	6	35,422,983	32,852,198
Right-of-use assets		3,968,766	3,386,718
Intangible assets		7,974	9,376
Long term investments		679,769	626,612
Long term loans to employees		37,514	35,600
Long term security deposits		256,196	199,382
		40,373,202	37,109,886
CURRENT ASSETS			
Stores, spares and loose tools		1,019,936	682,046
Stock-in-trade		19,058,391	19,480,754
Trade debts		12,434,702	8,582,194
Loans and advances		2,916,389	1,730,019
Trade deposits and prepayments		332,258	274,158
Other receivables		2,868,279	2,148,055
Advance income tax - net of provision for taxation		408,568	821,400
Accrued interest		26,611	17,609
Short term Investments		179,914	181,615
Cash and bank balances		2,259,070	2,043,598
		41,504,118	35,961,448
Assets held for sale		300,082	285,490
		41,804,200	36,246,938
TOTAL ASSETS		82,177,402	73,356,824



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2023

	Note	(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(Rupees in thousand)					
Continuing operations					
Sales - net	7	69,986,785	44,763,117	26,749,306	17,439,654
Cost of sales	8	(54,579,412)	(36,810,120)	(20,576,705)	(14,320,844)
Gross profit		15,407,373	7,952,997	6,172,602	3,118,810
Distribution cost		(4,626,130)	(3,324,820)	(1,776,607)	(1,233,866)
Administrative expenses		(2,103,832)	(1,593,971)	(775,562)	(586,030)
Other expenses		(360,173)	(410,615)	(153,571)	(284,333)
		(7,090,135)	(5,329,406)	(2,705,740)	(2,104,229)
		8,317,238	2,623,591	3,466,862	1,014,581
Other income		579,385	206,143	65,134	(62,183)
Profit from operations		8,896,623	2,829,734	3,531,996	952,398
Finance cost		(5,074,331)	(2,179,435)	(1,767,314)	(995,324)
		3,822,292	650,299	1,764,682	(42,926)
Share of profit in equity accounted investee - net of taxation		68,967	5,237	26,617	8,586
Profit / (loss) before taxation		3,891,259	655,536	1,791,299	(34,340)
Taxation		(1,217,729)	(937,220)	(385,636)	(496,589)
Profit / (loss) after taxation from continuing operations		2,673,530	(281,684)	1,405,663	(530,929)
Discontinued operations					
(Loss) / profit after taxation for the period from discontinued operations		(39,667)	513	(7,574)	(57,628)
Profit / (loss) after taxation		2,633,863	(281,171)	1,398,089	(588,557)
Share of profit / (loss) attributable to:					
Equity holders of the holding company		1,938,718	(80,604)	887,669	(420,154)
Non-controlling interest		695,145	(200,567)	510,420	(168,403)
		2,633,863	(281,171)	1,398,089	(588,557)
Earnings / (loss) per share - basic and diluted (Rupees)					
		41.26	(1.72)	18.89	(8.94)
Earnings / (loss) per share from continuing operations					
- basic and diluted (Rupees)		41.77	(1.72)	18.99	(8.21)


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 nine months ended September 30, 2023

	(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Rupees in thousand)			
Profit / (loss) after taxation	2,633,863	(281,171)	1,398,089	(588,557)
Other comprehensive income / (loss)				
Items that will not be reclassified to profit or loss:				
(Deficit) / Surplus arising on remeasurement of investment at fair value through other comprehensive income - net of tax	(15,810)	13,682	(4,360)	39,936
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign subsidiary	(173,350)	84,306	15,274	(22,081)
Exchange difference on translation of goodwill	-	(10,894)	-	3,011
	(173,350)	73,412	15,274	(19,070)
Other comprehensive (loss) / income for the period - net of tax	(189,160)	87,094	10,914	20,866
Total comprehensive income / (loss) for the period	2,444,703	(194,077)	1,409,003	(567,691)
Share of total comprehensive income / (loss) attributable to:				
Equity holders of the holding company	1,818,225	(26,716)	892,424	(390,329)
Non-controlling interest	626,478	(167,361)	516,579	(177,362)
	2,444,703	(194,077)	1,409,003	(567,691)

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 nine months ended September 30, 2023

	Attributable to the equity holders of the holding company											Shareholders equity	Non-controlling interest	Total equity				
	Capital Reserves				Revenue Reserves			Total Reserves	Shareholders equity	Non-controlling interest	Total equity							
	Share Capital	Fair value reserve FVOCI investment	Share premium	Share of share premium held by equity accounted investee	Exchange transaction reserve	Reserve pursuant to the Reserve Scheme	Share options reserve								Share of employees' share compensation reserve held by equity accounted investee	Sub Total	General reserve	Un-appropriated profit
	469,874	102,730	64,998	1,336,636	44,395	(2,886)	927,163	14,978	256	2,508,270	1,558,208	5,153,924	6,712,132	9,220,402	6,960,276	5,663,630	15,353,906	
Balance as at 31 December 2021 - audited																		
Transactions with owners:																		
Final dividend for the year ended 31 December 2021 @ Rupees 2 per share																		
Final dividend for the year ended 31 December 2021 @ Rupees 7.50 per share																		
Interim dividend for the half year ended 30 June 2022 @ Rupees 2.50 per share																		
Proceeds from non-controlling interest of Service Global Footwear Limited				6,500				8,502			15,002					6,500		6,500
Recognition of share option reserve scheme																		
Non-controlling interest on investment in subsidiary company																		
Loss for the nine months ended 30 September 2022																		
Other comprehensive income for the nine months ended 30 September 2022			13,682				40,206			53,888								
Total comprehensive income / (loss) for the period ended 30 September 2022			13,682				40,206			53,888								
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	8,856,282	9,326,156	6,958,055	16,284,211	
Balance as at 31 December 2022 - audited																		
Transactions with owners:																		
Final dividend for the year ended 31 December 2022 @ Rupees 1 per share																		
Final dividend for the year ended 31 December 2022 @ Rupees 5 per share																		
Issuance of share capital under employees' stock option scheme																		
Recognition of share option reserve scheme																		
Profit for the period ended 30 September 2023																		
Other comprehensive loss for the period ended 30 September 2023			(15,810)				(104,683)											
Total comprehensive (loss) / income for the period ended 30 September 2023			(15,810)				(104,683)											
Balance as at 30 September 2023 - unaudited	469,874	102,730	40,082	1,368,228	44,395	(50,115)	927,163	32,562	307	2,465,352	1,558,208	5,820,658	7,379,066	9,844,418	10,314,292	7,177,242	17,491,534	

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



Anif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the nine months ended September 30, 2023

	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation from continued operations	3,891,259	655,536
(Loss) / Profit before taxation from discontinued operations	(39,667)	513
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	2,189,059	1,626,654
Provision for gratuity	61,278	48,569
Finance cost	5,074,331	2,187,747
Provision for workers' profit participation fund	182,764	75,932
Interest on workers' profit participation fund	1,270	-
Provision for workers' welfare fund	72,390	17,827
Provision for slow moving and obsolete inventory	15,684	21,710
Allowance for expected credit losses	30,649	25,856
Profit on saving accounts and term deposit receipts	(19,489)	-
Employee share option expense	15,863	18,773
Interest on loan to associate	-	(6,928)
Gain on disposal of fixed assets	(2,618)	-
Share of profit in equity accounted investee	(68,967)	(5,237)
Operating profit before working capital changes	11,403,806	4,666,952
Working capital changes		
(Increase) / Decrease in current assets:		
Stores, spares and loose tools	(338,308)	(159,953)
Stock-in-trade	404,002	(9,184,818)
Trade debts	(3,896,968)	(4,653,172)
Loans, advances, trade deposits, prepayments and other receivables	(1,968,107)	(5,022,374)
	(5,799,381)	(19,020,317)
Increase in trade and other payables	3,834,807	4,109,631
	(1,964,574)	(14,910,686)
Cash generated from / (used in) operations	9,439,232	(10,243,734)
Finance cost paid	(4,565,086)	(1,654,685)
Income tax paid	(2,189,966)	(948,878)
Employees' retirement benefits paid	(28,160)	(28,504)
Long term loans - net	(1,914)	3,219
Long term deposits - net	(56,814)	(68,090)
Net cash generated from / (used in) operating activities	2,597,292	(12,940,672)

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

For the nine months ended September 30, 2023

(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
---------------------------------------	---------------------------------------

(Rupees in thousand)

Cash flows from investing activities

Capital expenditure on operating fixed assets - net	(4,392,882)	(7,053,285)
Intangible asset acquired	(2,215)	-
Proceeds from disposal of fixed assets	33,575	-
Interest received	(9,002)	-
Loan to associated	-	100,000
Investments - net	21,190	(23,971)
Net cash used in investing activities	(4,349,334)	(6,977,256)

Cash flows from financing activities

Long term financing - net	3,017,501	3,059,262
Short term borrowings - net	(69,613)	13,676,206
Repayment of lease liabilities	(541,202)	(127,050)
Proceeds against share capital issued under employees' stock option scheme	8,300	6,500
Proceeds from NCI of subsidiary Company - Service Long March Tyres (Private) Limited	-	1,637,116
Dividend paid	(273,898)	(517,269)
Long term deposits - net	(475)	400
Net cash generated from financing activities	2,140,613	17,735,165
Effects of exchange rate changes on cash and cash equivalents	(173,350)	84,876
Net increase / (decrease) in cash and cash equivalents	215,221	(2,097,887)
Cash and cash equivalents at the beginning of the period	2,045,895	4,593,434
Cash and cash equivalents at the end of the period	2,261,116	2,495,547

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 nine months ended September 30, 2023

1. The Group and its Operations

The Group consists of:

Holding Company

- Service Industries Limited

Subsidiary Companies

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

Service Industries Limited

Service Industries Limited was incorporated as a private limited company on 20 March 1957 in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017), converted into a public limited company on 23 September 1959 and got listed on 27 June 1970. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activities of the Company are purchase, manufacture and sale of footwear, tyres and tubes, spare parts of automobiles 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% (2022:20.25%).

Service Industries Capital (Private) Limited

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

Service Shoes Lanka (Private) Limited (Discontinued Operations)

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

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

For the nine months ended September 30, 2023

Service Long March Tyres (Private) Limited

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

SIL Gulf FZE

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

Dongguan Service Global Limited

Dongguan Service Global Limited is a limited liability company (wholly owned by foreign legal person) registered with Dongguan Administration of Market Regulations, China. Date of incorporation of Dongguan Service Global Limited is 18 December 2022. Business scope of Dongguan Service Global Limited is wholesale of shoes and hats, sales of leather products, sales of needle textiles and raw materials, wholesale of hardware products, sales of bags, sales of daily necessities, inspection of clothing and apparel, finishing services, technical services and other related matters. Commercial address of Dongguan Service Global Limited is Room 302, No. 18, Houjie Town, Dongguan City, Guangdong Province, China. It is wholly owned subsidiary of Service Global Footwear Limited.

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 condensed interim financial statements.

b) Associate

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

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

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity,

including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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

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

c) **Translations of the financial statements of foreign subsidiary**

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

3. **Basis of Preparation**

3.1.1 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 consolidated 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 2022.

3.1.2 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, 2022

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

For the nine months ended September 30, 2023

5 Contingencies and commitments

5.1 Contingencies

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

Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 2,836.427 million (2022: Rupees 2,471.501 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheques issued as security shall be encashable.

5.1.1 Guarantees issued in ordinary course of business through banks are of Rupees 4,029.511 million (2022: Rupees 2,453.647 million).

5.2 Commitments

5.2.1 Contracts for capital expenditure are approximately of Rupees 322.647 million (2022: Rupees 696.522 million).

5.2.2 Letters of credit other than capital expenditure are of Rupees 6,950.461 million (2022: Rupees 3,095.448 million).

5.2.3 Outstanding foreign currency forward contracts are of Rupees 2,026.360 million (2022: 2,133.050 million).

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

Note	(Un-audited) September 30, 2023 (Rupees in thousand)	(Audited) December 31, 2022
Not later than one year	48,827	71,971
Later than one year and not later than five years	20,137	59,819
	68,964	131,790

6. Fixed assets

Operating fixed assets	6.1	32,741,872	30,509,561
Capital work-in-progress		2,681,111	2,342,637
		35,422,983	32,852,198

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	(Rupees in thousand)	
6.1 Operating fixed assets			
Opening net book value		30,509,561	10,361,648
Add: Additions during the period / year	6.2	4,052,849	22,176,115
		34,562,410	32,537,763
Less: Disposals during the period / year (at book value)	6.2	(30,957)	(8,019)
Less: Written off due to fire		-	(13,264)
Adjustments		-	(11,450)
		34,531,453	32,505,030
Currency retranslation		-	(22,034)
		34,531,453	32,482,996
Less: Depreciation charged during the period / year		(1,789,581)	(1,868,030)
Assets held for sale			(105,405)
		32,741,872	30,509,561

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

	Additions		Disposals - NBV	
	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in thousand)			
Land	-	95,896	-	-
Building on leasehold land	479,438	6,850,150	-	-
Building on freehold land	524,483	291,593	-	-
Plant and machinery	1,799,561	13,726,812	285	5,621
Furniture, fixture and fittings	57,208	159,727	477	315
Vehicles	350,767	210,266	24,109	785
Service equipments	622,036	553,188	3,192	1,298
Leasehold improvements	219,356	288,483	2,894	-
	4,052,849	22,176,115	30,957	8,019

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

For the nine months ended September 30, 2023

	(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(Rupees in thousand)				
7. Sales of footwear - net				
Export sales	13,110,410	9,681,048	5,134,139	3,737,454
Local sales	9,330,657	5,944,348	2,878,492	545,738
	22,441,067	15,625,396	8,012,631	4,283,192
Sales of tyres - net				
Export sales	10,176,413	4,190,757	4,477,304	2,682,729
Local sales	34,574,349	22,361,270	13,045,117	9,517,486
	44,750,762	26,552,027	17,522,421	12,200,215
Sales of spare parts for automobiles - net				
Local sales	2,399,678	2,284,714	875,777	798,725
Sales of technical rubber products - net				
Local sales	395,278	300,980	338,477	157,522
	69,986,785	44,763,117	26,749,306	17,439,654
8. Cost of sales				
Raw materials consumed	38,056,741	27,416,415	13,891,593	10,757,402
Salaries, wages and other benefits	4,895,043	4,208,365	1,558,101	1,665,162
Stores and spares consumed	750,995	414,944	285,936	95,794
Packing materials consumed	1,374,491	1,026,628	539,294	386,321
Fuel and power	3,047,715	2,601,985	1,157,622	1,083,020
Insurance	59,658	75,249	20,438	33,801
Travelling	87,961	101,634	34,454	49,683
Repair and maintenance	258,158	260,274	97,114	91,877
Entertainment	14,498	25,843	5,471	10,402
Depreciation	1,583,508	1,202,886	548,391	497,903
Provision for/(reversal) of slow moving and obsolete inventory	15,684	21,710	(13,522)	939
Other manufacturing charges	976,610	380,543	602,768	221,479
	51,121,062	37,736,476	18,727,660	14,893,783
Work-in-process:				
Movement in work in process	(500,235)	(1,261,540)	55,833	(133,654)
Cost of goods manufactured	50,620,827	36,474,936	18,783,493	14,760,129
Finished goods:				
Movement in finished goods	3,958,585	335,184	1,793,212	(439,285)
	54,579,412	36,810,120	20,576,705	14,320,844

9. Segment information

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

Footwear

Purchase, manufacturing and sale of different qualities of footwear.

Tyre

Manufacturing of different qualities of tyres and tubes.

Others

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

	Footwear (Un-audited)		Tyre (Un-audited)		Others (Un-audited)		Total - Company (Un-audited)	
	September 30, 2023	September, 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Sales	22,441,067	15,625,396	44,750,762	26,552,027	2,794,956	2,585,694	69,986,785	44,763,117
Profit / (loss) before taxation and unallocated income and expenses	2,092,354	911,693	6,797,592	1,964,442	(24,925)	213,431	8,865,021	3,089,566
Unallocated income and expenses Taxation							(5,013,429)	(2,433,517)
Profit / (loss) after taxation							2,633,863	(937,220)
								(281,171)

(Rupees in thousand)

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

For the nine months ended September 30, 2023

9.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Type		Others		Total - Company	
	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Total assets for reportable segment	29,640,951	21,751,663	48,638,641	46,430,646	3,206,631	2,232,004	81,486,223	70,414,313
Unallocated assets							691,179	2,942,511
Total assets as per consolidated condensed interim statement of financial position							82,177,402	73,356,824
Unallocated liabilities							64,685,868	58,057,681
Total liabilities as per consolidated condensed interim statement of financial position							64,685,868	58,057,681

(Rupees in thousand)

10 Recognized fair value measurements - financial instruments

(i) Fair value hierarchy

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

Recurring fair value measurements at 30 September 2023	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Financial assets				
Derivative financial assets		867		867
Financial assets at fair value through other comprehensive income	68,216	-	-	68,216
Total financial assets	68,216	867	-	69,083

Recurring fair value measurements at 31 December 2022	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Financial assets				
Derivative financial assets	-	9,425	-	9,425
Financial assets at fair value through other comprehensive income	84,026	-	-	84,026
Total financial assets	84,026	9,425	-	93,451

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 nine months ended September 30, 2023

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

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

(ii) Valuation techniques used to determine fair values

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

11 Transactions with related parties

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

	(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Rupees in thousand)			
Associated companies				
Sale of goods	17,543	8,407	17,543	(10,674)
Donations made	54,234	48,953	23,907	15,605
Cash dividend paid	-	637	-	-
Share deposit money received	-	1,469,116	-	610,223
Share capital issued	-	880,000	-	880,000
Loan disbursed	4,500	100,000	-	100,000
Interest received	-	1,812	-	837
Interest charged	21,170	6,928	7,830	975
Purchase of fixed assets	11,403	-	750	-
Purchase of goods	850,943	2,354,379	400,689	1,431,019
Key management personnel and directors				
Cash dividend paid	103,349	155,024	-	-
Remuneration	108,530	131,022	29,221	39,855
Meeting fee to directors - non executive	4,080	3,680	2,400	1,040
Shares Issued	-	6,500	-	6,500
Other related parties				
Employees' retirement benefits	303,878	230,599	103,408	90,967
Cash dividend paid	11,331	16,359	-	-

(ii) Period end balances

As at 30 September 2023 (Un-audited)		
Associated companies	Other related parties	Total

(Rupees in thousand)

Employee benefit plans	-	544,743	544,743
Trade debts	4,714	-	4,714
Trade Payable	218	-	218
Accrued Interest	26,611	-	26,611
Loans and advances	134,500	-	134,500

As at 31 December 2022 (Audited)		
Associated companies	Other related parties	Total

(Rupees in thousand)

Employee benefit plans	-	460,904	460,904
Trade debts	5,958	-	5,958
Accrued Interest	5,340	-	5,340
Loans and advances	130,000	-	130,000

12 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 consolidated 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, 2022.

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

13 Date of authorization for issue

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

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

For the nine months ended September 30, 2023

14 Corresponding figures

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

15 General

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

سروس شوز لیکا (پرائیویٹ) لمیٹڈ (ڈسکوئٹینوڈ آپریشنز)

سروس شوز لیکا (پرائیویٹ) لمیٹڈ، سروس انڈسٹریز کمپنیل (پرائیویٹ) لمیٹڈ کا ایک ذیلی ادارہ ہے، جو کہ سروس انڈسٹریز لمیٹڈ کا مکمل ملکتی ماتحت ادارہ ہے۔ سروس شوز لیکا (پرائیویٹ) لمیٹڈ ایک پرائیویٹ لمیٹڈ لکھنؤ کمپنی ہے جو 16 جولائی 2015 کو کمپنیز ایکٹ 2007 کی دفعات کے تحت سری لیکا میں تشکیل دی گئی۔ کمپنی کارجسٹریڈ آفس نمبر 143/17 سری وکر ماواوتھا کولبو 15 پر واقع ہے اور اس کا کاروباری مرکز کاتوانسکے میں واقع ہے۔

SIL گلف FZE

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

ڈونگ گوان سروس گلوبل لمیٹڈ

ڈونگ گوان سروس گلوبل لمیٹڈ ایک لمیٹڈ لکھنؤ کمپنی ہے (جو کہ کلی طور پر فارن لیگل پرسن کی ملکیت ہے) اور 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 ٹوپیوں کی بڑے پیمانے پر فروخت، چمڑے کی مصنوعات کی فروخت، سلعے ہوئے بلوسات اور اس سے منسلک خام مال کی فروخت، ہارڈویئر مصنوعات کی بڑے پیمانے پر فروخت، بیگز کی فروخت، روزمرہ کی ضروریات، بلوسات کا معائنہ اور انکی فنشنگ کی خدمات، تکنیکی خدمات اور دیگر متعلقہ امور پر محیط ہے۔ ڈونگ گوان سروس گلوبل لمیٹڈ کمرہ 302، نمبر 18، ہوجی ٹاؤن، ڈونگ گوان سٹی، گوانگ ڈونگ صوبہ، چین میں واقع ہے۔

منجانب بورڈ



عمر سعید
ڈائریکٹر



عارف سعید
چیف ایگزیکٹو

27 اکتوبر 2023

لاہور

گروپ کی ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی نو ماہی کے لیے سروس انڈسٹریز لمیٹڈ اور اس کے ذیلی اداروں کے مختصر مجموعی عبوری مالیاتی معلومات کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

گروپ، سروس انڈسٹریز لمیٹڈ، سروس انڈسٹریز کیپیٹل (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، سروس شوژونکا (پرائیویٹ) لمیٹڈ جو کہ سروس انڈسٹریز کیپیٹل (پرائیویٹ) لمیٹڈ کا جزوی ملکی ذیلی ادارہ ہے، SIL Gulf FZE، سروس انڈسٹریز لمیٹڈ کا مکمل ملکی ذیلی ادارہ ہے اور ڈونگ گوان سروس گلوبل لمیٹڈ، سروس گلوبل فنڈ ویئر لمیٹڈ کا ذیلی ادارہ ہے، پر مشتمل ہے۔

سروس انڈسٹریز لمیٹڈ

30 ستمبر 2023 کو ختم ہونے والی نو ماہی کی سروس انڈسٹریز لمیٹڈ کی کل کردگی پر ڈائریکٹرز کے تبصرہ کی رپورٹ الگ سے پیش کی گئی ہے۔ سروس انڈسٹریز لمیٹڈ نے انٹرنیشنل فنانسینشل رپورٹنگ اسٹینڈرڈز اینڈ پریزنٹیشن ایکٹ 2017 کے تقاضوں کے مطابق اپنے مجموعی مختصر عبوری گوشواروں کے ساتھ اپنے انفرادی مختصر عبوری مالیاتی گوشواروں کو اس رپورٹ میں منسلک کر دیا ہے۔

سروس انڈسٹریز کیپیٹل پرائیویٹ لمیٹڈ

سروس انڈسٹریز کیپیٹل (پرائیویٹ) لمیٹڈ، سروس انڈسٹریز لمیٹڈ کا مکمل ملکی ماتحت ادارہ ہے۔ سروس انڈسٹریز کیپیٹل (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 کیپیٹل (پرائیویٹ) لمیٹڈ کار جسٹرز آفس سروس ہاؤس، 2 مین گلبرگ، لاہور واقع ہے۔ سروس انڈسٹریز کیپیٹل (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 کو 19 جولائی 2019 کو پاکستان میں ایک پبلک لمیٹڈ کمپنی کے طور پر کمپنیز ایکٹ 2017 کے تحت تشکیل دیا گیا تھا۔ کمپنی کی بنیادی سرگرمیاں جوتے، چرے اور متعلقہ مصنوعات کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد ہے۔ سروس گلوبل فنڈ ویئر لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 79.43% (2022:79.75%) حصص ہیں۔ 30 ستمبر 2023 کو ختم ہونے والی نو ماہی کے لیے 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 کمپنیز ایکٹ، 2017 (XIX) کے تحت تشکیل دی گئی تھی۔ کمپنی کار جسٹرز آفس سروس ہاؤس، 2 مین گلبرگ، لاہور میں واقع ہے۔ کمپنی کا بنیادی کاروبار سٹیبل ریڈیل ٹرک اور بس ٹائروں کی تیاری، فروخت، مارکیٹنگ کی درآمد اور برآمد ہے۔ سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 32.09% (2022:32.09%) حصص ہیں اور سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس گلوبل فنڈ ویئر لمیٹڈ کی حصص 18.91% (2022: 18.91%) ہے۔

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

کمپنی کی انتظامیہ موجودہ کاروباری حالات سے بخوبی باخبر ہے۔ توجہ تمام شعبوں میں نمونہ کو برقرار رکھنے اور مناسب مارجن حاصل کرنے کو یقینی بنانے پر مرکوز ہے۔ نئی تلی کاروباری منصوبہ بندی وقت کی ضرورت ہے جس کے لیے کمپنی کی انتظامیہ پوری طور لیس ہے۔ انتظامیہ ایسے مواقع کی مسلسل تلاش میں ہے جس سے کاروبار کو فائدہ پہنچایا جاسکتا ہے۔

اظہار تشکر

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

منجانب بورڈ



عارف سعید
چیف ایگزیکٹو



عمار سعید
ڈائریکٹر

27 اکتوبر 2023

لاہور

فٹ ویئر ڈویژن

جو توں کے شعبے میں فروخت میں اضافہ ہوا ہے، ستمبر 2022 کو ختم ہونے والے نو ماہی میں فروخت 7.38 ارب روپے سے بڑھ کر موجودہ نو ماہی میں 11.08 ارب روپے ہوئی۔ کمپنی کے اس شعبے پر مقامی فروخت غالب ہے۔ اس نو ماہی میں شعبے کی مقامی فروخت میں 64 فیصد اضافہ ہوا۔ یہ بنیادی طور پر ریٹیل نیٹ ورک کی توسیع کی وجہ سے ہے جہاں جنوری 2023 سے اب تک 60 نئے اسٹورز شامل کیے گئے ہیں، جس سے کل تعداد 212 ہو گئی ہے۔ انتظامیہ مستقبل میں مزید اسٹورز کا اضافہ کر کے ملک بھر میں ریٹیل نیٹ ورک کی موجودگی کو یقینی بنانے کا ارادہ رکھتی ہے۔ مصنوعات میں تنوع لانے کے لیے اب آن لائن اسٹورز اور لائوور کے کچھ منتخب اسٹورز پر ملبوسات کی ایک وسیع اقسام متعارف کرائی جا رہی ہے تاکہ صارفین کے ردعمل کا اندازہ لگایا جاسکے۔ انتظامیہ کو امید ہے کہ ریٹیل پورٹ فولیو میں یہ اضافہ منافع میں مزید اضافہ کرے گا۔

رہنما کی تکنیکی مصنوعات

اس شعبہ نے مالی اعداد و شمار میں مقبول اضافہ دکھایا ہے، فروخت میں تقریباً 31 فیصد اضافہ ہوا ہے اور زیر جائزہ مدت میں 395.27 ملین روپے کی سطح پر پہنچ گئی ہے۔

ذیلی ادارے

سروس لاگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ

یہ سال سروس لاگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ کے لیے ایک غیر معمولی سال رہا ہے۔ 30 ستمبر 2023 کو ختم ہونے والی نو ماہی کے دوران، بعد از ٹیکس منافع 1.12 ارب روپے ہو گیا جبکہ گزشتہ سال کی اسی مدت میں 513 ملین روپے کا نقصان ہوا تھا۔ سروس لاگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ فی الحال انتہائی پیدوار کی استعداد پر کام کر رہی ہے۔ مستقبل انتہائی امید افزا ہے اور مستقبل میں ڈیویڈنڈ آمدنی کی صورت میں سروس انڈسٹریز لمیٹڈ کے منافع میں نمایاں حصہ ڈالنے کی امید ہے۔

سروس گلوبل فٹ ویئر لمیٹڈ

30 ستمبر 2023 کو ختم ہونے والے نو ماہی میں فروخت نمایاں طور پر بڑھ کر 11.93 ارب روپے ہوئی جو پچھلے سال کی اسی مدت میں 8.53 ارب روپے تھی۔ بعد از ٹیکس منافع بھی 73.03 فیصد بڑھ کر 791 ملین روپے تک پہنچ گیا۔ سروس انڈسٹریز لمیٹڈ کو 30 ستمبر 2023 کو ختم ہونے والے نو ماہی کے دوران سروس گلوبل فٹ ویئر لمیٹڈ سے 164 ملین روپے کی ڈیویڈنڈ آمدنی حاصل ہوئی۔

فی ٹیئر آمدنی

اس نو ماہی میں فی ٹیئر آمدنی 23.38 روپے رہی جو پچھلے سال کی اسی مدت میں 11.88 روپے تھی۔

مستقبل پر ایک نظر

پاکستان کی معیشت طویل عرصے سے ایک تناؤ کے دور سے گزر رہی ہے، موجودہ منظر نامے میں کوئی بھی بہتری ایک مشکل کام لگتا ہے، کیونکہ ڈھانچے میں بہتری وقت کی ضرورت ہے جس کے لیے حکومت کو مشکل فیصلے کرنے کی ضرورت ہے۔ اشیائے ضروریہ اور اشیائے آسائش کی مقامی مانگ زیادہ افراط زر کی وجہ سے متاثر ہے۔ سیاسی پے یقینی کی وجہ سے پالیسی کا تسلسل ممکن نہیں ہو رہا ہے۔ بین الاقوامی سطح پر معاشی حالات نے ملک کی مشکلات میں مزید اضافہ کر دیا ہے، تاہم، اسمگل شدہ اشیاء پر موجودہ پابندی مقامی صنعت کے لیے یقیناً ایک اچھی خبر ہے۔ مزید برآں، روپے کی قدر میں موجودہ بہتری خوش آئیند ہے لیکن اسے ابھی وقت کی کسوٹی پر پرکھنا باقی ہے۔

ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی نوامی 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 2023 کو ختم ہونے والی نوامی کی سروس انڈسٹریز لمیٹڈ کی انفرادی عبوری مالیاتی کارکردگی درج ذیل ہے۔

تفصیلات	نوامی اختتام	
	ستمبر 30، 2022 روپے، ہزار میں	ستمبر 30، 2023 روپے، ہزار میں
خالص فروخت	31,454,889	41,388,905
گراس منافع	5,818,869	9,800,960
آپریٹنگ منافع	3,122,983	5,347,266
منافع بعد از ٹیکس	558,051	1,098,779
ٹی شیئر آمدنی (روپے)	11.88	23.38
	فیصد تبدیلی	
	31.58%	
	68.43%	
	71.22%	
	96.90%	
	96.90%	

زیر جائزہ نوامی میں، کمپنی کی فروخت 31.58 فیصد بڑھ کر 41.39 ارب روپے کی سطح پر پہنچ گئی جو گزشتہ سال کی اسی مدت میں 31.45 ارب روپے تھی۔ جو توں اور ٹائز کے شعبوں میں مارجن میں بہتری سے گراس منافع میں گزشتہ سال کی اسی مدت کے مقابلے میں 68.43 فیصد کا صحت مند اضافہ ہوا ہے۔ پالیسی ریٹ میں اضافے اور 10% سپر ٹیکس کے نفاذ کی وجہ سے ٹیکس کے بھاری بوجھ کے ساتھ مالیاتی چارجز میں غیر معمولی اضافے کے باوجود، کمپنی اپنے بعد از ٹیکس منافع کو دوگنا کرنے میں کامیاب رہی جو کہ 0.558 ارب روپے سے 1.099 ارب روپے تک پہنچ گیا۔ جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 96.9 فیصد کا زبردست اضافہ ہے۔

ٹائز ڈویژن

کمپنی کی فروخت میں ٹائز ڈویژن، جو ٹائزوں، ٹیوبوں اور آٹوموبائلز کے پرزہ جات بناتا ہے کا بڑا حصہ ہے۔ ڈویژن کی مجموعی فروخت میں 26 فیصد اضافہ ہوا، جو کہ ستمبر 2023 کو ختم ہونے والے نوامی میں 29.91 ارب روپے تک پہنچ گئی جو گزشتہ سال کی اسی مدت میں 23.78 ارب روپے تھی۔ اس اضافے میں برآمدی فروخت میں 83 فیصد کا اضافہ شامل ہے، جس کی وجہ سے فروخت کے حجم میں اضافہ اور روپے کی قدر میں کمی ہے۔

انتظامیہ درست وقت پر قیمتوں میں اضافے کر کے لاگت بڑھانے والے عوامل سے نیٹ رہی ہے، جس کی وجہ سے فروخت میں اضافہ ہوا ہے اور اپنی کسٹمرس کو برقرار رکھتے ہوئے مارجن میں اضافہ ہوا ہے۔ یہ بذات خود برانڈ "سروس" کی سادگی اور اس کے صارفین کی وفاداری کا ثبوت ہے جو کمپنی نے سالوں میں کمائی ہے۔ تاہم، آسمان کو چھوتی مہنگائی کی وجہ سے عوام کی قوت خرید کمزور ہے اور اس کا نتیجہ میں مانگ میں کمی ہے اور یہ مسئلہ پوری صنعت کو درپیش ہے۔

زرعی ٹائز کے شعبے میں زبردست کامیابی کو دیکھتے ہوئے، کمپنی زرعی ٹائز کے ایک مخصوص قسم میں سرمایہ کاری کر رہی ہے جس سے اس مخصوص ٹائز کے ساتھ ہمارے پیداواری استعداد کو دگنی ہو جائے گی۔ مزید یہ کہ KV 132 استعداد کے زیر تعمیر گرڈ اسٹیشن کی تنصیب شیڈول کے مطابق آگے بڑھ رہی ہے۔ بجلی کے مختلف ذرائع کے تناسب استعمال کو یقینی بنانے کے لیے زرعی فصلوں سے چلنے والے کرائے کے بوائبلر کو بھی شامل کیا گیا ہے۔

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