



Service Industries Limited

EXPLORING NEW HORIZONS..



**Report & Un-Audited Accounts
for the 1st Quarter Ended
March 31, 2022**

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Company Information

Board of Directors

Chaudhry Ahmed Javed
(Chairman)

Non-Executive Director

Mr. Arif Saeed
(Chief Executive Officer)

Executive Director

Mr. Omar Saeed
Executive Director

Mr. Hassan Javed
Executive Director

Mr. Riaz Ahmed
Non-Executive Director

Mr. Osman Saifullah Khan
Independent Director

Mr. Muhammad Naem Khan
Independent Director

Mr. Shahid Hussain Jatoi
Independent Director

Mrs. Ayesha Naweed
Independent Director

Chief Financial Officer

Mr. Badar Ul Hassan

Company Secretary

Mr. Waheed Ashraf

Audit Committee

Mr. Muhammad Naem Khan
Chairman

Mr. Osman Saifullah Khan
Member

Mr. Riaz Ahmed
Member

Human Resource and Remuneration Committee

Mrs. Ayesha Naweed
Chairperson

Mr. Arif Saeed
Member

Mr. Riaz Ahmed
Member

Bankers

Allied Bank Limited
Askari Bank Limited

Bank Al Habib Limited

Bank Alfalah Limited

Faysal Bank limited

Habib Bank Limited

Habib Metro Bank

ICBC Pakistan

JS Bank Limited

MCB Bank Limited

MCB Islamic Bank

Meezan Bank Limited

National Bank Limited

Samba Bank Limited

Silk Bank Limited

Standard Chartered Bank

(Pakistan) Limited

Soneri Bank limited

The Bank of Punjab

The Bank of Khyber

United Bank Limited

Auditors

M/s. Riaz Ahmad & Company,
Chartered Accountants

Legal Advisor

M/s. Bokhari Aziz & Karim
2-A, Block-G, Gulberg-II, Lahore.

Registered Office

Servis House,
2-Main Gulberg, Lahore-54662.
Tel: +92-42-35751990-96

Shares Registrar

M/s. Corplink (Pvt.) Limited
Wings Arcade, 1-K
Commercial, Model Town, Lahore
Tel: +92-42-35916714,
35916719,
35839182

Pakistan Stock Exchange Limited

Stock Exchange Symbol SRVI

Factories

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

Web Presence

www.servisgroup.com

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

- William Faulkner



Directors' Report to the Shareholders

The Directors take pleasure in presenting their Report along with the unconsolidated condensed interim financial statements of Service Industries Limited ("SIL") for the three months period ended March 31, 2022.

Key Performance Indicators (KPIs)

Please find below key performance indicators of unconsolidated condensed interim financial statements of SIL for the three months period ended March 31, 2022.

Particulars	Quarter Ended		
	March 31, 2022 "000"	March 31, 2021 "000"	Percentage Change
Net sales	8,680,033	6,946,092	25%
Gross profit	1,652,701	1,221,263	35%
Operating profit	646,430	437,629	48%
Profit after tax	50,014	157,621	(68)%

SIL recorded net sales of PKR 8.68 billion in its financial statements during the three months showing an increase of 25% from same period last year. Operating profit amounted to PKR 646.43 million against operating profit of PKR 437.63 million in the same period last year. Net profit after tax amounted to PKR 50.01 million against profit after tax of PKR 157.62 million in the same period last year.

Tyre Division

The Tyre Division, our biggest revenue contributor, has shown a top line growth of almost PKR 1.61 billion i.e. 31% in this quarter in comparison to same quarter last year. This growth in revenue stream was the result of expansion in production capacities of the segment.

Increased raw material prices due to spike in global raw material prices and weakening Pak rupee, increase in energy cost, high logistic costs and increase in SBP discount rate resulted in margin reduction in Tyre segment of the company in the first quarter of its financial year.

However, despite these challenges, our management team is determined to maintain its market position and capitalize on the brand image of Servis Tyres. The management has invested heavily in capacity enhancement which will result in further increase in sales in the current year with lower operational cost.

Footwear Division

Our footwear sales showed increase of 11% in the current quarter in comparison to same period last year. The profitability of domestic footwear business which is now the main contributor of footwear sales segment continued to face tough challenges as the retail market in the country remained under stress. During this challenging period, more institutional footwear business was booked by the company to utilize available capacities, albeit at lower margins.

The retail business has been on continuous expansion due to opening of retail stores throughout the country. The number of stores almost doubled in 2021, and in the period under review, the number increased to 104 outlets from 91 stores at the end of December 2021. This aggressive expansion is based on the reforms that were made last year which resulted in gross margin improvement through price point coverage and discount management, better inventory planning and a more balanced product portfolio. Business is on a growth path with an expansion plan of 50 more outlets by the end of year 2022.

Technical Rubber Products

Our Corporate sales division under the umbrella of Technical Rubber Products (TRP) historically has been under growth trajectory. However, in the current period, due to customer supply rearrangements and order placement dynamics, the company has witnessed fall in the sales by 64% in comparison to same period last year. Future prospects of this division are quite promising, with many orders in hand and further in pipeline. We expect TRP segment to have a much higher contribution towards company's revenue in coming years.

Earnings Per Share (EPS)

The earnings per share of the Company stood at PKR 1.06 for the three months period under review as compared to PKR 3.35 same period last year

Future Outlook

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

Year 2022 is year of further value additions for the company. SIL's associated company, Pakistan's first all Steel and Radial tyre manufacturer of the country, Service Long March Tyres (Private) Limited has commenced its commercial production in the current quarter. The management is very confident on better future returns on this investment which will further consolidate shareholder's worth.

The company's Tyre Division is on path of further expansion and sizeable production capacities are being added in the year 2022. Moreover, the Company is in process of setting up the production facility for the manufacturing of motorcycles chain kits, for which land and building have already been purchased and plant and machinery are under installation.

The Company is also expanding its retail network and is planning to open 50 more retail outlets in the year 2022.

Acknowledgment

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

For and on behalf of the Board



Arif Saeed
Chief Executive



Omar Saeed
(Director)

April 28, 2022
Lahore.

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Condensed Unconsolidated Interim Financial Statements



Condensed Unconsolidated Interim Statement of Financial Position (Unaudited)

As at March 31, 2022

	(Unaudited) March 31, 2022	(Audited) December 31, 2021
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital 100,000,000 (2021: 100,000,000) ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid-up share capital	469,874	469,874
Reserves	6,857,282	6,838,307
Total equity	7,327,156	7,308,181
LIABILITIES		
Non-current liabilities		
Long term financing	7,088,751	6,205,473
Long term deposits	1,440	1,440
Lease liabilities	3,284,425	2,817,034
Employees' retirement benefit	172,823	176,721
Deferred liabilities	332,802	395,243
	10,880,241	9,595,911
Current liabilities		
Trade and other payables	5,334,505	5,124,422
Accrued mark-up	371,484	262,097
Short term borrowings	12,375,378	9,152,752
Current portion of non-current liabilities	1,542,856	1,862,235
Unclaimed dividend	39,333	39,343
	19,663,556	16,440,849
Total liabilities	30,543,797	26,036,760
Contingencies and commitments	4	
TOTAL EQUITY AND LIABILITIES	37,870,953	33,344,941

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



Arif Saeed
(Chief Executive)

		(Unaudited) March 31, 2022	(Audited) December 31, 2021
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	5	9,440,173	7,999,342
Right-of-use assets		2,900,616	2,642,560
Intangible assets		3,531	3,979
Long term investments	6	6,759,340	6,779,666
Long term loans to employees		31,434	27,416
Long term security deposits		155,382	137,956
		19,290,476	17,590,919
Current assets			
Stores, spares and loose tools		457,688	322,895
Stock-in-trade		9,624,829	9,001,107
Trade debts		4,759,450	3,808,763
Loans and advances		958,067	572,187
Advance income tax - net of provision for taxation		633,362	607,515
Trade deposits and prepayments		399,912	320,840
Other receivables		767,025	265,476
Short term investment		179,914	155,943
Cash and bank balances		800,230	699,296
		18,580,477	15,754,022
TOTAL ASSETS		37,870,953	33,344,941



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Unconsolidated Interim Statement of Profit or Loss (Unaudited)

For the quarter ended March 31, 2022

		(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	Note	(Rupees in thousand)	
Sales - net	7	8,680,033	6,946,092
Cost of sales	8	(7,027,332)	(5,724,829)
Gross profit		1,652,701	1,221,263
Distribution cost		(704,609)	(476,320)
Administrative expenses		(334,138)	(300,387)
Other expenses		(26,875)	(37,096)
		(1,065,622)	(813,803)
		587,079	407,460
Other Income		59,351	30,169
Profit from Operations		646,430	437,629
Finance cost		(548,336)	(202,733)
		98,094	234,896
Share of profit in equity accounted investee - net of taxation		3,498	224
Profit before taxation		101,592	235,120
Taxation		(51,578)	(77,499)
Profit after taxation		50,014	157,621
			Restated
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)		1.06	3.35

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Unconsolidated Interim Statement of Comprehensive Income (Unaudited)

For the quarter ended March 31, 2022

	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	(Rupees in thousand)	
Profit after taxation	50,014	157,621
Other comprehensive income		
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	(31,039)	58,800
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive (loss) / income for the quarter ended - net of tax	(31,039)	58,800
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2022	18,975	216,421

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Unconsolidated Interim Statement of Changes in Equity (Unaudited)

For the quarter ended March 31, 2022

	RESERVES										Total Equity	
	Share Capital	Capital Reserves			Reserve pursuant to the Scheme	Sub total	Revenue Reserves			Total		
		Capital gains	Fair value reserve FVOCI investment	Share premium			Share of share premiums held by equity accounted investee	General reserve	Un-appropriated profit			Sub total
	Rupees in thousand											
Balance as at 31 December 2020 - audited	234,937	102,730	69,360	21,217	23,935	927,163	1,144,405	1,558,208	4,345,042	5,903,250	7,047,655	7,282,592
Profit for the quarter ended 31 March 2021	-	-	-	-	-	-	-	-	157,621	157,621	157,621	157,621
Other comprehensive income for the quarter ended 31 March 2021	-	-	58,800	-	-	-	58,800	-	-	-	58,800	58,800
Total comprehensive income for the quarter ended 31 March 2021	-	-	58,800	-	-	-	58,800	-	157,621	157,621	216,421	216,421
Balance as at 31 March 2021 - unaudited	234,937	102,730	128,160	21,217	23,935	927,163	1,203,205	1,558,208	4,502,663	6,060,871	7,264,076	7,499,013
Balance as at 31 December 2021 - audited	469,874	102,730	64,998	21,217	23,935	927,163	1,140,043	1,558,208	4,140,056	5,698,264	6,838,307	7,308,181
Profit for the quarter ended 31 March 2022	-	-	-	-	-	-	-	-	50,014	50,014	50,014	50,014
Other comprehensive loss for the quarter ended 31 March 2022	-	-	(31,039)	-	-	-	(31,039)	-	-	(31,039)	(31,039)	(31,039)
Total comprehensive income for the quarter ended 31 March 2022	-	-	(31,039)	-	-	-	(31,039)	-	50,014	50,014	18,975	18,975
Balance as at 31 March 2022 - unaudited	469,874	102,730	33,959	21,217	23,935	927,163	1,109,004	1,558,208	4,190,070	5,748,278	6,857,282	7,327,156

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Unconsolidated Interim Statement of Cash Flows (Unaudited)

For the quarter ended March 31, 2022

	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	101,592	235,120
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	269,003	180,854
Provision for gratuity	11,167	10,683
Finance cost	548,336	202,733
Provision for workers' profit participation fund	4,052	11,869
Provision for workers' welfare fund	2,156	5,041
Provision for slow moving and obsolete inventory	7,749	1,149
Allowance for expected credit losses	5,842	4,668
Share of profit in equity accounted investee	(3,498)	(224)
Operating profit before working capital changes	946,399	651,893
Working capital changes		
Increase in current assets:		
Stores, spares and loose tools	(134,793)	(20,310)
Stock-in-trade	(631,471)	(1,493,051)
Trade debts	(956,529)	(534,191)
Loans, advances, trade deposits, prepayments and other receivables	(958,278)	(342,242)
	(2,681,071)	(2,389,794)
Increase / (decrease) in trade and other payables	422,305	(260,881)
	(2,258,766)	(2,650,675)
Cash used in operations	(1,312,367)	(1,998,782)
Finance cost paid	(438,949)	(116,015)
Income tax paid	(132,987)	(281,849)
Employees' retirement benefits paid	(15,065)	(404)
Long term loans - net	(12,241)	(4,527)
Long term deposits - net	(17,426)	(6,488)
Net cash used in operating activities	(1,929,035)	(2,408,065)
Cash flow from investing activities		
Capital expenditure on operating fixed assets	(1,628,756)	(151,800)
Short term investments - net	(23,971)	-
Long term investments - net	(7,215)	(765,000)
Net cash used in investing activities	(1,659,942)	(916,800)
Cash flow from financing activities		
Long term financing - net	557,020	354,958
Short term borrowings - net	3,222,626	2,275,206
Repayment of lease liabilities	(89,725)	(69,736)
Dividend paid	(10)	(84)
Net cash from financing activities	3,689,911	2,560,344
Net increase / (decrease) in cash and cash equivalents	100,934	(764,521)
Cash and cash equivalents at the beginning of the quarter	699,296	1,201,058
Cash and cash equivalents at the end of the quarter	800,230	436,537

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

1. The Company and its Operations

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

2. Basis of Preparation

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

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

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

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

3. Accounting Policies

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

3.1 Critical Accounting Estimates and Judgments

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

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

4. Contingencies and Commitments

4.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published

financial statements of the Company for the year ended 31 December 2021.

4.2 Commitments

- 4.2.1** Guarantees issued in ordinary course of business through banks are of Rupees 2,850.857 million (31 December 2021: Rupees 2,721.638 million).
- 4.2.2** Contracts for capital expenditure are approximately of Rupees 607.081 million (31 December 2021: 1,834.702 Rupees million).
- 4.2.3** Letters of credit other than capital expenditure are of Rupees 2,479.901 million (31 December 2021: Rupees 2,763.165 million).
- 4.2.4** The Company has obtained vehicles under ijarah arrangements from Meezan Bank Limited, Allied Bank Limited and Bank Al Habib Limited for a period of five years. Future Ujrah payments under Ijarah are as follows:

	Note	(Unaudited) March 31, 2022 (Rupees in thousand)	(Audited) December 31, 2021
Not later than one year		68,827	68,561
Later than one year and not later than five years		75,824	85,752
		144,651	154,313
5 Fixed Assets			
Operating fixed assets	5.1	7,244,675	7,375,009
Capital work-in-progress		2,195,498	624,333
		9,440,173	7,999,342
5.1 Operating fixed assets			
Opening written down value		7,375,009	5,842,520
Add: Additions during the quarter	5.2	59,180	2,218,644
		7,434,189	8,061,164
Less: Disposals during the period (at book value)	5.2	(1,687)	(7,537)
		7,432,502	8,053,627
Less: Depreciation charged during the quarter		(187,827)	(678,618)
		7,244,675	7,375,009

(Unaudited) (Audited)
March December
31, 2022 31, 2021
 (Rupees in thousand)

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

Speed (Private) Limited

160,709 (2021: 160,709) fully paid ordinary shares of Rupees 100 each **190,949** 190,949

Share of post acquisition reserve

As at the beginning of the quarter / year

124,622 89,895

Share of post acquisition profit for the quarter / year

3,498 34,727

128,120 124,622

319,069 315,571

6.3 Investment in joint ventures - at cost

S2 Power Limited

24,000 (2021: 24,000) fully paid ordinary shares of Rupees 10 each **240** 240

S2 Hydro Limited

24,000 (2021: 24,000) fully paid ordinary shares of Rupees 10 each **240** 240

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

- -

6.4 Other investment - at FVTOCI

TRG Pakistan Limited

775,000 (2021: 775,000) fully paid ordinary shares of Rupees 10 each **91,373** 17,089

Fair value adjustment **(31,039)** 74,284

60,334 91,373

Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

	Note	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
		(Rupees in thousand)	
7	Sales		
	Sales of footwear - net		
	Export sales	315,912	150,802
	Local sales	1,519,032	1,487,250
	Duty draw back	-	2,186
		1,834,944	1,640,238
	Sale of tyres - net		
	Export sales	815,726	502,188
	Local sales	5,988,403	4,690,726
		6,804,129	5,192,914
	Sale of technical rubber products - net		
	Local sales	40,960	112,940
		8,680,033	6,946,092
8	Cost of sales		
	Raw materials consumed	8.1 5,741,137	4,191,492
	Salaries, wages and other benefits	638,197	616,274
	Stores and spares consumed	98,128	64,822
	Packing materials consumed	168,540	143,955
	Fuel and power	498,338	299,230
	Insurance	7,707	5,807
	Travelling	8,403	3,335
	Repair and maintenance	62,206	49,238
	Entertainment	656	494
	Depreciation	156,919	123,870
	Provision for slow moving and obsolete inventory	7,749	8,674
	Other manufacturing charges	25,076	32,744
		7,413,056	5,539,935
	Work in process:		
	Opening Stock	559,759	426,949
	Less: Closing stock	(1,330,070)	(1,065,667)
		(770,311)	(638,718)
	Cost of goods manufactured	6,642,745	4,901,217
	Finished goods		
	Opening stock	4,068,747	2,453,109
	Add: Purchases during the quarter	1,105,567	996,371
	Less: Closing stock	(4,789,727)	(2,625,868)
		384,587	823,612
		7,027,332	5,724,829

(Unaudited)	(Unaudited)
March	March
31, 2022	31, 2021
(Rupees in thousand)	

8.1 Raw materials consumed

Opening stock	4,326,819	1,994,118
Add: Purchases during the quarter	4,876,458	4,838,990
Less: Closing stock	(3,462,140)	(2,641,616)
	5,741,137	4,191,492

Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

9. Segment Information

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

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

Tyre: Manufacturing of different qualities of tyres.

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

(Rupees in thousand)

	Footwear		Tyre		Technical Rubber Products		Total - Company	
	Quarter ended	Mar. 31, 2021	Quarter ended	Mar. 31, 2021	Quarter ended	Mar. 31, 2021	Quarter ended	Mar. 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Mar. 31, 2022	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2021
Sales	1,834,944	1,640,238	6,804,129	5,192,914	40,960	112,940	8,680,033	6,946,092
Profit / (loss) before taxation and unallocated income and expenses	(59,620)	(14,680)	793,690	601,941	12,891	36,571	746,961	623,832
Unallocated income and expenses:							(645,369)	(388,712)
Taxation							(51,578)	(77,499)
Profit after taxation							50,014	157,621

Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

9.1 Reconciliation of reportable segment assets and liabilities

(Rupees in thousand)

	Footwear		Tyre		Technical Rubber Products		Total - Company	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Total assets for reportable segment	9,404,300	8,215,216	18,366,336	15,727,851	571,324	308,341	28,341,960	24,251,408
Unallocated assets							9,528,993	9,093,533
Total assets as per condensed unconsolidated interim statement of financial position							37,870,953	33,344,941
Unallocated liabilities							30,543,797	26,036,760
Total liabilities as per condensed unconsolidated interim statement of financial position							30,543,797	26,036,760

Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

10 Recognized fair value measurements - financial instruments

(i) Fair value hierarchy

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

Recurring fair value measurements At 31 March 2022 (Unaudited)	Level 1	Level 2	Level 3	Total
..... Rupees in thousand				
Financial assets				
Financial assets at fair value through other comprehensive income	60,334	-	-	60,334
Total financial assets	60,334	-	-	60,334
..... Rupees in thousand				
Recurring fair value measurements At 31 December 2021 (Audited)	Level 1	Level 2	Level 3	Total
..... Rupees in thousand				
Financial assets				
Financial assets at fair value through other comprehensive income	91,373	-	-	91,373
Total financial assets	91,373	-	-	91,373

Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

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 quarter. Further, there was no transfer in and out of level 3 measurements.

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

11 Transactions with Related Parties

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

Notes to the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

(Unaudited) (Unaudited)
March **March**
31, 2022 **31, 2021**
 (Rupees in thousand)

(i) Transactions:

Subsidiary Companies

Investment made	-	765,000
Increase in short term loan obtained	2,908,257	-
Interest on loan	106,038	76,345
Sale of goods	35,898	51,499
Purchase of goods	6,208	3,435
Loan repaid	1,610,515	1,155,000
Expenses charged	55,101	35,972
Services rendered	9,000	-

Associated Companies

Sale of goods	-	12,067
Donations	15,469	12,492

Key management personnel - Directors & their spouses

Remuneration	38,394	42,715
Meeting fee to directors - non executive	160	160

Other related parties

Employees' retirement benefits	41,526	37,118
--------------------------------	---------------	--------

(ii) Period end balances

As at 31 March 2022 (Unaudited)		
Subsidiary companies	Other related parties	Total

(Rupees in thousand)

Employee benefit plans	-	193,939	193,939
Other Receivables	605	-	605
Short term loan payable	2,316,845	-	2,316,845
Trade debts	12,853	46,574	59,427
Long Term loan	2,500,000	-	2,500,000
Accrued mark-up	106,038	-	106,038

As at 31 December 2021 (Audited)		
Subsidiary companies	Other related parties	Total
(Rupees in thousand)		
Employees benefit plans	-	204,016
Other Receivables	605	-
Short term loan payable	1,019,102	-
Trade debts	1,546	58,075
Long Term loan	2,500,000	-
Trade and other payables	103,367	-
Accrued mark-up	55,104	-
		204,016
		605
		1,019,102
		59,621
		2,500,000
		103,367
		55,104

12 The financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at December 31, 2021.

13 Date of authorization for issue

These financial statements were authorized for issue on 28 April 2022 by the Board of Directors of the Company.

14 Corresponding figures

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

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

15 General

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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Condensed Consolidated Interim Financial Statements



FIG. 14

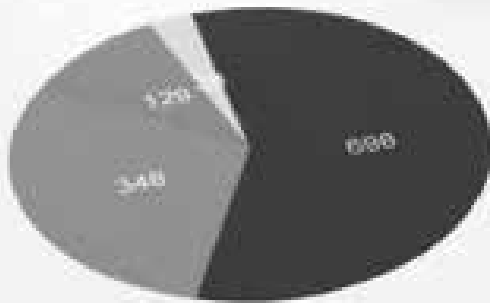


FIG. 15



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 three months ended March 31, 2022.

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

Service Industries Limited

The Director Report providing a commentary on the performance of Service Industries Limited for the quarter ended March 31, 2022 has been presented separately. Service Industries Limited has annexed its Condensed Consolidated Interim Financial Statements along with its Separate Condensed Interim Financial Statements, in accordance with the requirements of International Financial Reporting Standards and Companies Act 2017.

Service Industries Capital (Private) Limited

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

Service Global Footwear Limited

Service Global Footwear Limited was incorporated as a public limited company on 19 July 2019 in Pakistan under the Companies Act, 2017. The principal activities of the Company are manufacturing, sale, marketing, import and export of footwear, leather and allied products. Service Industries Limited has 80% (2021: 80%) equity stake in Service Global Footwear Limited. The Director Report providing a commentary on the performance of Service Global Footwear Limited for the quarter ended March 31, 2022 has been presented in its separate quarterly report.

Service Long March Tyres (Private) Limited

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

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

Service Shoes Lanka (Private) Limited

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

For and on Behalf of the Board



Arif Saeed
Chief Executive



Omar Saeed
(Director)

April 28, 2022
Lahore.

Condensed Consolidated Interim Statement of Financial Position (Unaudited)

As at March 31, 2022

	(Unaudited) March 31, 2022	(Audited) December 31, 2021
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
100,000,000 (2021: 100,000,000)		
ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid-up share capital	469,874	469,874
Reserves	9,409,592	9,220,402
Non-controlling interest	5,706,939	5,663,630
Total equity	15,586,405	15,353,906
LIABILITIES		
Non-current liabilities		
Long term financing	15,104,508	11,395,994
Long term deposits	1,440	1,440
Lease liabilities	3,284,425	2,817,034
Employees' retirement benefit	296,441	297,612
Deferred liabilities	349,661	2,252,771
	19,036,475	16,764,851
Current liabilities		
Trade and other payables	8,983,584	7,554,758
Accrued mark-up	379,134	296,284
Short term borrowings	16,557,059	12,458,263
Current portion of non-current liabilities	1,423,983	2,127,597
Unclaimed dividend	39,333	39,343
	27,383,093	22,476,245
Total liabilities	46,419,568	39,241,096
Contingencies and commitments	5	
TOTAL EQUITY AND LIABILITIES	62,005,973	54,595,002

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



Arif Saeed
(Chief Executive)

		(Unaudited) March 31, 2022	(Audited) December 31, 2021
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	6	30,497,197	26,534,730
Right-of-use assets		2,900,616	2,642,560
Intangible assets		31,283	43,602
Long term investments	7	561,716	597,268
Long term loans to employees		52,995	45,704
Long term security deposits		167,236	149,472
		34,211,043	30,013,336
Current assets			
Stores, spares and loose tools		587,547	367,266
Stock-in-trade		13,633,554	11,622,051
Trade debts		6,215,219	4,468,249
Loans and advances		1,540,424	915,549
Trade deposits and prepayments		414,218	330,531
Other receivables		2,406,833	1,157,736
Advance income tax - net of provision for taxation		935,630	943,976
Accrued interest		837	26,931
Short term investments		179,914	155,943
Cash and bank balances		1,880,754	4,593,434
		27,794,930	24,581,666
Total Assets		62,005,973	54,595,002



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Consolidated Interim Statement of Profit or Loss (Unaudited)

For the quarter ended March 31, 2022

		(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	Note	(Rupees in thousand)	
Sales - net	8	11,235,639	8,604,517
Cost of sales	9	(9,040,519)	(7,007,679)
Gross profit		2,195,120	1,596,838
Distribution cost		(943,576)	(596,394)
Administrative expenses		(491,863)	(413,142)
Other expenses		(44,108)	(56,386)
		(1,479,547)	(1,065,922)
		715,573	530,916
Other Income		99,750	61,521
Profit from Operations		815,323	592,437
Finance cost		(511,291)	(175,056)
		304,032	417,381
Share of loss in equity accounted investee - net of taxation		(4,514)	(11,154)
Profit before taxation		299,518	406,227
Taxation		(116,606)	(120,765)
Profit after taxation		182,912	285,462
Share of profit attributable to:			
Equity holders of the holding company		175,662	284,618
Non-controlling interest		7,250	844
		182,912	285,462
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)		3.89	6.08

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Consolidated Interim Statement of Comprehensive Income (Unaudited)

For the quarter ended March 31, 2022

	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	(Rupees in thousand)	
Profit after taxation	182,912	285,462
Other comprehensive income / (loss)		
Items that will not be reclassified to profit or loss:		
Surplus arising on remeasurement of investment at fair value through other comprehensive income - net of tax	(31,039)	58,800
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign subsidiary	87,735	11,075
Exchange difference on translation of goodwill	(11,871)	(3,382)
	75,864	7,693
Other comprehensive income for the quarter - net of tax	44,825	66,493
Total comprehensive income for the quarter	227,737	351,955
Share of total comprehensive income attributable to:		
Equity holders of the holding company	185,380	346,681
Non-controlling interest	42,357	5,274
	227,737	351,955

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)

For the quarter ended March 31, 2022

SHARE CAPITAL	ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE HOLDING COMPANY										Shareholders Equity	Non-controlling interest	TOTAL EQUITY			
	CAPITAL RESERVES					REVENUE RESERVES										
	Fair value reserve FVOCI investment	Share premium	Share of share premium reserve held by equity accounted investee	Exchange translation reserve	Reserve pursuant to the Scheme	Share options reserve	Share of employees share compensation reserve held by equity accounted investee	Subtotal	General reserve	Unappropriated profit				Subtotal	Total Reserves	
																2021
234,937	102,730	49,360	21,217	44,395	4,871	927,163	-	1,169,736	1,558,208	5,424,644	6,982,652	8,152,988	8,387,525	1,451,499	9,839,024	
-	-	-	-	-	-	-	-	-	-	284,618	284,618	284,618	284,618	844	285,462	
-	-	58,800	-	-	3,263	-	-	62,063	-	-	62,063	62,063	62,063	4,430	66,493	
-	-	58,800	-	-	3,263	-	-	62,063	-	284,618	346,681	346,681	346,681	5,274	351,955	
234,937	102,730	128,160	21,217	44,395	8,134	927,163	-	1,231,799	1,558,208	5,709,262	7,267,470	8,497,269	8,734,206	2,189,469	10,923,675	
469,874	102,730	64,998	1,356,636	44,395	(2,866)	927,163	14,978	256	2,508,270	1,558,208	5,153,924	6,712,132	9,220,402	9,690,276	5,663,630	15,353,906
-	-	-	-	-	-	-	3,810	-	-	-	3,810	3,810	3,810	952	4,762	
-	-	-	-	-	-	-	-	-	-	175,662	175,662	175,662	175,662	7,250	182,912	
-	-	(31,039)	-	-	40,757	-	-	9,718	-	-	9,718	9,718	9,718	35,107	44,825	
-	-	(31,039)	-	-	40,757	-	-	9,718	-	175,662	185,380	185,380	185,380	42,357	227,737	
469,874	102,730	33,959	1,356,636	44,395	37,871	927,163	18,788	256	2,521,798	1,558,208	5,329,586	6,887,794	9,409,592	9,879,466	5,706,939	15,586,405

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Transactions with owners:

Noncontrolling interest in investment in subsidiary company

Profit for the quarter ended 31 March 2021

Other comprehensive income for the quarter ended 31 March 2021

Total comprehensive income for the quarter ended 31 March 2021

Balance as at 31 March 2021 - unaudited

Balance as at 31 December 2021 - audited

Recognition of share option reserves scheme

Profit for the quarter ended 31 March 2022

Other comprehensive income (loss) for the quarter ended 31 March 2022

Total comprehensive income/(loss) for the quarter ended 31 March 2022

Balance as at 31 March 2022 - unaudited

Condensed Consolidated Interim Statement of Cash Flows (Unaudited)

For the quarter ended March 31, 2022

	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	299,518	406,227
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	314,980	223,633
Provision for gratuity	16,246	15,334
Finance cost	617,299	251,401
Provision for workers' profit participation fund	14,281	15,543
Provision for workers' welfare fund	7,651	8,148
Provision for / (reversal of provision) of slow moving and obsolete inventory	11,749	(1,583)
Allowance for expected credit losses	5,842	4,668
Profit on saving accounts and term deposit receipts	(2,458)	(22,761)
Employee share option expense	4,762	-
Interest on loan to associate	(819)	-
Share of loss in equity accounted investee	4,514	11,154
Operating profit before working capital changes	1,293,565	911,764
Working capital changes		
Increase in current assets		
Stores, spares and loose tools	(574,014)	(13,137)
Stock in trade	(2,023,253)	(1,389,319)
Trade debts	(1,535,620)	(460,391)
Loans, advances, trade deposits, prepayments and other receivables	(3,073,082)	(413,352)
	(7,205,969)	(2,276,199)
Increase / (decrease) in trade and other payables	1,469,045	(290,802)
	(5,736,924)	(2,567,001)
Cash used in operations	(4,443,359)	(1,655,237)
Finance cost paid	(595,977)	(180,991)
Income tax paid	(155,769)	(342,026)
Employees' retirement benefits paid	(17,511)	(2,129)
Long term loans - net	(14,772)	(6,659)
Long term deposits - net	(18,564)	(6,585)
Net cash used in operating activities	(5,245,952)	(2,193,627)
Cash flows from investing activities		
Capital expenditure on operating fixed assets	(4,076,552)	(3,035,725)
Mark-up received on loan to Service Industries Limited - Holding Company	57,837	-
Short term investments - net	(23,971)	-
Share deposit money - net	-	(2,304)
Investment in associated company	-	735,000
Net cash used in investing activities	(4,042,686)	(2,303,029)
Cash flows from financing activities		
Long term financing - net	1,157,906	1,814,425
Short term borrowings - net	5,420,019	1,139,782
Repayment of lease liabilities	(89,725)	(69,736)
Dividend paid	(10)	(84)
Net cash generated from financing activities	6,488,190	2,884,387
Effects of exchange rate changes on cash and cash equivalents	87,768	11,075
Net decrease in cash and cash equivalents	(2,712,680)	(1,601,194)
Cash and cash equivalents at the beginning of the quarter	4,593,434	4,195,565
Cash and cash equivalents at the end of the quarter	1,880,754	2,594,371

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

1. The Group and its Operations

The Group consists of:

Holding Company

- Service Industries Limited

Subsidiary Companies

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

Service Industries Limited

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

Service Global Footwear Limited

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

Service Industries Capital (Private) Limited

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

Service Shoes Lanka (Private) Limited

Service Shoes Lanka (Private) Limited is a Private Limited Liability Company incorporated on 16 July 2015 under the provisions of the Companies Act No. 07 of 2007 in Sri Lanka. The registered office of the Company is located at No. 143 / 17, Sri Wickrema Mawatha, Colombo and the principal place of business is located at Katunayake, Sri Lanka. It is subsidiary of Service Industries Capital (Private) Limited which is wholly owned subsidiary of Service Industries Limited. Ownership interest held by non-controlling interest in Service Shoes Lanka (Private) Limited – Subsidiary Company is 40% (2021: 40%).

Service Long March Tyres (Private) Limited

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

SIL Gulf FZE

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

2. Basis of Consolidation

a) Subsidiaries

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

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

Intragroup balances and transactions have been eliminated.

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

b) Associate

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

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

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

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

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

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

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

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

3. **Basis of Preparation**

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

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

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

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

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

4. **Accounting Policies**

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

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

5. Contingencies and Commitments

5.1 Contingencies

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

Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 1,761.159 million (31 December 2021 Rupees 1,657.194 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheques issued as security shall be encashable.

5.2 Commitments

5.2.1 Guarantees issued in ordinary course of business through banks are of Rupees 2,850.857 million (2021: Rupees 2,721.638 million).

5.2.2 Contracts for capital expenditure are approximately of Rupees 3,092.218 million (2021: Rupees 6,258.043 million).

5.2.3 Letters of credit other than capital expenditure are of Rupees 2,787.020 million (2021: Rupees 2,808.673 million).

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

	Note	(Unaudited) March 31, 2022	(Audited) December 31, 2021
		(Rupees in thousand)	
		82,338	82,379
		98,014	110,396
		180,352	192,775
6	Fixed Assets		
	Operating fixed assets	6.1 27,312,462	10,361,648
	Capital work-in-progress	3,184,735	16,173,082
		30,497,197	26,534,730

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

	Note	(Unaudited) March 31, 2022	(Audited) December 31, 2021
		(Rupees in thousand)	
6.1	Operating fixed assets		
	Opening net book value	10,361,648	8,708,099
	Add: Additions during the quarter	17,270,084	2,537,250
		27,631,732	11,245,349
	Less: Disposals during the quarter (at book value)	(1,726)	(7,615)
		27,630,006	11,237,734
	Currency retranslation	(29,224)	3,167
		27,600,782	11,240,901
	Less: Depreciation charged during the quarter	(288,320)	(879,253)
		27,312,462	10,361,648

6.2 Following is the detail of additions and disposals during the quarter.

	Additions		Disposals - NBV	
	Unaudited March 31, 2022	Audited December 31, 2021	Unaudited March 31, 2022	Audited December 31, 2021
(Rupees in thousand)				
Land	-	294,865	-	-
Leasehold land	-	950	-	-
Building on freehold land	6,010,277	535,265	-	70
Plant and machinery	11,122,719	1,124,653	-	1,224
Furniture, fixture and fittings	47,720	33,676	-	-
Vehicles	8,430	51,496	115	1,703
Service equipments	41,874	297,102	470	2,586
Leasehold improvements	39,064	199,243	1,141	2,032
	17,270,084	2,537,250	1,726	7,615

	Note	(Unaudited) March 31, 2022	(Audited) December 31, 2021
(Rupees in thousand)			
7	Long term investments		
	Investment in associate (with significant influence)		
	- under equity method	7.1 501,382	505,895
	Investment in joint ventures - at cost	7.2 -	-
	Other investment - at FVTOCI	7.3 60,334	91,373
		561,716	597,268
7.1	Investment in associate (with significant influence) - under equity method		
	Speed (Private) Limited		
	263,909 (2021: 263,909) fully paid ordinary shares of Rupees 100 each	342,526	342,526
	Share of post acquisition reserve		
	As at the beginning of the quarter / year	153,111	96,080
	Share of post acquisition profit for the quarter / year	5,745	57,031
		158,856	153,111
		501,382	495,637
	Jomo Technologies (Private) Limited		
	46,666,667 (2021: 46,666,667) fully paid ordinary shares of Rupees 1 each	80,000	80,000
	Share of post acquisition reserve		
	As at the beginning of the quarter / year	(69,742)	(12,499)
	Adjustment due to deemed disposal of equity accounted investee	-	15,431
	Share of employees share compensation reserves	-	256
	Share of post acquisition loss for the quarter / year	(10,258)	(72,929)
	Share of other comprehensive loss - net of tax	-	(1)
		(80,000)	(69,742)
		-	10,258
		501,382	505,895

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

	(Unaudited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in thousand)	
7.2 Investment in joint ventures - at cost		
S2 Power Limited		
24,000 (2021: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
S2 Hydro Limited		
24,000 (2021: 24,000) fully paid ordinary shares of Rupees 10 each	240	240
Impairment loss recognized against investments	(480)	(480)
	-	-
7.3 Other investment - at FVTOCI		
TRG Pakistan Limited		
775,000 (2021: 1,000,000) fully paid ordinary shares of Rupees 10 each	91,373	17,089
Fair value adjustment	(31,039)	74,284
	60,334	91,373
	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	(Rupees in thousand)	
8 Sales		
Sales of footwear -net		
Export sales	2,860,135	1,760,600
Local sales	1,528,428	1,513,598
Duty draw back	-	24,465
	4,388,563	3,298,663
Sale of tyres -net		
Export sales	815,726	502,188
Local sales	5,990,390	4,690,726
	6,806,116	5,192,914
Sale of technical rubber products -net		
Local sales	40,960	112,940
	11,235,639	8,604,517

	Note	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
(Rupees in thousand)			
9			
Cost of sales			
Raw materials consumed	8.1	6,858,259	4,900,015
Salaries, wages and other benefits		1,192,227	973,143
Stores and spares consumed		143,207	94,206
Packing materials consumed		306,258	217,994
Fuel and power		553,184	319,042
Insurance		11,233	7,348
Travelling		16,472	5,308
Repair and maintenance		72,450	58,478
Entertainment		1,608	1,481
Depreciation		234,890	164,868
Provision for slow moving and obsolete inventory		11,749	5,942
Other manufacturing charges		62,255	46,231
		9,463,792	6,794,056
Work in process			
Opening sStock		1,076,910	700,755
Less: Closing stock		(1,916,569)	(1,280,608)
		(839,659)	(579,853)
Cost of goods manufactured		8,624,133	6,214,203
Finished goods			
Opening stock		4,948,497	2,930,940
Add: Purchases during the quarter		1,048,733	969,674
Less: Closing stock		(5,580,844)	(3,107,138)
		416,386	793,476
		9,040,519	7,007,679
9.1			
Raw materials consumed			
Opening stock		5,544,894	2,706,529
Add: Purchases during the quarter		8,351,805	4,098,037
Less: Closing stock		(7,038,440)	(1,904,551)
		6,858,259	4,900,015

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

10. Segment Information

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

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

Tyre: Manufacturing of different qualities of tyres.

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

	Footwear		Tyre		Technical Rubber Products		Total - Company	
	Quarter ended	Mar. 31, 2021	Quarter ended	Mar. 31, 2021	Quarter ended	Mar. 31, 2021	Quarter ended	Mar. 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2021
Sales	4,388,563	3,298,663	6,806,116	5,192,914	40,960	112,940	11,235,639	8,604,517
Profit before taxation and unallocated income and expenses	204,393	140,862	727,603	617,507	12,891	36,571	944,887	794,940
Unallocated income and expenses:							(645,369)	(388,713)
Taxation							(116,606)	(120,765)
Profit after taxation							182,912	285,462

(Rupees in thousand)

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

11 Recognized fair value measurements - financial instruments

(i) Fair value hierarchy

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

Recurring fair value measurements At 31 March 2022 (Unaudited)	Level 1	Level 2	Level 3	Total
..... Rupees in thousand				
Financial assets				
Financial assets at fair value through other comprehensive income	60,334	-	-	60,334
Total financial assets	60,334	-	-	60,334
..... Rupees in thousand				
Recurring fair value measurements At 31 December 2021 (Audited)	Level 1	Level 2	Level 3	Total
..... Rupees in thousand				
Financial assets				
Derivative financial assets	-	1,613	-	1,613
Financial assets at fair value through other comprehensive income	91,373	-	-	91,373
Total financial assets	91,373	-	-	92,986

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

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 quarter. Further, there was no transfer in and out of level 3 measurements.

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

12 Transactions with Related Parties

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

	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	(Rupees in thousand)	
Associated companies		
Sale of goods	14,220	12,067
Donations made	15,469	12,492
Repayment of Loan	-	25,000
Interest Received	-	1,548
Interest charged	819	646

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

(Unaudited) (Unaudited)
March March
31, 2022 31, 2021
 (Rupees in thousand)

Key management personnel - Directors & their spouses

Remuneration	71,094	76,420
Meeting fee to directors - non executive	480	160

Other related parties

Employees' retirement benefits	69,487	63,466
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(ii) Period end balances

As at 31 March 2022 (Un-audited)		
Associated companies	Other related parties	Total

(Rupees in thousand)

Employee benefit plans	-	334,575	334,575
Trade debts	107,831	-	107,831
Accrued Interest	837	-	837
Loans and advances	30,000	-	30,000

As at 31 December 2021 (Audited)		
Associated companies	Other related parties	Total

(Rupees in thousand)

Employee benefit plans	-	352,772	352,772
Trade debts	105,111	-	105,111
Accrued Interest	18	-	18
Loans and advances	30,000	-	30,000

13 The Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual audited consolidated financial statements as at December 31, 2021.

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

14 Date of authorization for issue

These financial statements were authorized for issue on 28 April 2022 by the Board of Directors of the Company.

15 Corresponding figures

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

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

16 General

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

سروس انڈسٹریز لمیٹڈ گلف FZE

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

منجانب بورڈ



عمر سعید
ڈائریکٹر



عارف سعید
چیف ایگزیکٹو

28 اپریل 2022
لاہور

گروپ کی ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کی سروس انڈسٹریز لمیٹڈ اور اس کے ذیلی اداروں کے مختصر مجموعی عبوری مالیاتی معلومات کے ساتھ اپنی رپورٹ پیش کرنے میں خوش محسوس کرتے ہیں۔

گروپ، سروس انڈسٹریز لمیٹڈ، سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ جو کہ سروس انڈسٹریز لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے، سروس گلوبل فنڈ ویئر لمیٹڈ جو کہ سروس انڈسٹریز لمیٹڈ کا جزوی ملکیتی ذیلی ادارہ ہے، سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ جو کہ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا جزوی ملکیتی ذیلی ادارہ ہے اور سروس انڈسٹریز لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے، پر مشتمل ہے۔

سروس انڈسٹریز لمیٹڈ

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

سروس انڈسٹریز کیپٹل پرائیویٹ لمیٹڈ

سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ، سروس انڈسٹریز لمیٹڈ کا مکمل ملکیتی ماتحت ادارہ ہے۔ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کو کمپنیز آرڈیننس 1984 (جو کہ اب کمپنیز ایکٹ 2017 ہے) کے تحت پاکستان میں 10 نومبر 2015 کو حصص کے لحاظ سے لمیٹڈ کمپنی کے طور پر رجسٹر کیا گیا۔ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا رجسٹرڈ آفس سروس ہاؤس، 2 مین گلبرگ، لاہور واقع ہے۔ سروس انڈسٹریز کیپٹل (پرائیویٹ) لمیٹڈ کا بنیادی مقصد پاکستان 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، چڑے اور متعلقہ مصنوعات کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد ہے۔ سروس گلوبل فنڈ ویئر لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 80% (2020:80%) حصص ہیں۔ 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کی سروس گلوبل فنڈ ویئر لمیٹڈ کی کارکردگی پر ڈائریکٹرز کے تبصرہ کی رپورٹ الگ سے پیش کی گئی ہے۔

سروس لانگ مارچ ٹائرز پرائیویٹ لمیٹڈ

سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ ایک پرائیویٹ لمیٹڈ کمپنی ہے جو پاکستان میں 07 جنوری 2020 کو کمپنیز ایکٹ، 2017 (XIX کا) کے تحت تشکیل دی گئی تھی۔ کمپنی کا رجسٹرڈ آفس سروس ہاؤس، 2 مین گلبرگ، لاہور میں واقع ہے۔ کمپنی کا بنیادی کاروبار ٹیلر ریڈیل ٹرک اور بس ٹائرز کی تیاری، فروخت، مارکیٹنگ کی درآمد اور برآمد ہے۔ سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس انڈسٹریز لمیٹڈ کے 32.09% (2021:32.09%) حصص ہیں اور سروس لانگ مارچ ٹائرز (پرائیویٹ) لمیٹڈ میں سروس گلوبل فنڈ ویئر لمیٹڈ کی حصص 18.91% (2021: 18.91%) ہے۔

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

سروس شولڈر لٹکا پرائیویٹ لمیٹڈ

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

ربڑ کی تکنیکی مصنوعات

ربڑ کی تکنیکی مصنوعات کی مد میں بھی اداروں کو فروخت میں نمونہ و نمائندگی ہے۔ تاہم، اس سہ ماہی میں گاہکوں کو مال کی فراہمی اور گاہکوں سے آرڈر وصول کرنے کے نظام کی ترتیب میں رد و بدل کی وجہ سے، گزشتہ سال کی اسی مدت کے مقابلے میں فروخت میں 64% کمی ہوئی ہے۔ اس ڈویژن کے مستقبل کے امکانات کافی امید افزا ہیں، بہت سے آرڈر وصول ہو چکے ہیں اور مزید متوقع ہیں۔ ہم توقع کرتے ہیں کہ آنے والے سالوں میں کمپنی کی آمدنی میں ربڑ کی تکنیکی مصنوعات کے شعبے کا حصہ مزید بڑھے گا۔

فی شیئر آمدنی

اس سہ ماہی میں فی شیئر آمدنی 1.06 روپے رہی جو پچھلے سال کی اسی مدت میں 3.35 روپے تھی۔

مستقبل پر ایک نظر:

ہمیں امید ہے کہ موجودہ سال کے دوران پیداواری صلاحیتوں، ریشیل نیٹ ورک اور آمدن فروخت کو بڑھانے میں سرمایہ کاری کرنے کے فیصلے سے کمپنی کو سال 2022 میں بہتر منافع حاصل کرنے میں مدد ملے گی۔ علاوہ ازیں، ہمارے برانڈ کی مضبوطی اور ہماری صلاحیتوں کی بدولت ہم گاہکوں اور ٹرانڈونوں شعبوں میں سب سے آگے ہیں۔

سال 2022 مصنوعات کی قدر میں مزید اضافہ کا سال ہے۔ سروس لانگ مارچ ٹرانڈون (پرائیویٹ) لمیٹڈ جو کہ سروس انڈسٹریز لمیٹڈ کا ذیلی ادارہ ہے اور پاکستان کی پہلی اسٹیل اور ڈیل ٹرانڈون والی کمپنی ہے، اس کمپنی نے اس سہ ماہی میں سے اپنی تجارتی پیداوار شروع کر دی ہے۔ انتظامیہ مستقبل میں بہتر منافع حاصل کرنے کیلئے پراعتماد ہے اور سرمایہ کاری کی خصوصیات کی مالیت کو مزید مستحکم کرے گی۔

کمپنی کا ٹرانڈونے والا شعبہ مزید توسیع کی راہ پر گامزن ہے اور سال 2022 میں بڑے پیمانے پر پیداواری صلاحیتوں میں اضافہ کیا جا رہا ہے۔ سروس انڈسٹریز لمیٹڈ کی کمپنی مومنز سائیکلوں کی چین کسٹس کی تیاری کے لیے پیداواری سہولت قائم کرنے کے عمل میں ہے، جس کے لیے زمین اور عمارت پہلے ہی خرید لی گئی ہے اور مشینری کی تنصیب جاری ہے۔ کمپنی اپنے ریشیل نیٹ ورک کو بھی وسعت دے رہی ہے اور سال 2022 میں مزید 50 ریشیل آؤٹ لیٹس کھولنے کا منصوبہ بنا رہی ہے۔

اعتراف

ہم تہدید 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 چھٹے سال کے 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

28 اپریل 2022

لاہور

ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کی سروس انڈسٹریز لمیٹڈ کی انفرادی مختصر عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالی کارکردگی کا موازنہ

31 مارچ 2022 کو ختم ہونے والی سہ ماہی کی سروس انڈسٹریز لمیٹڈ کی انفرادی عبوری مالیاتی کارکردگی درج ذیل ہے۔

سہ ماہی اختتام		تفصیلات
مارچ 31، 2021 روپے، ہزار میں	مارچ 31، 2022 روپے، ہزار میں	
فیصد تبدیلی		
25%	6,946,092	خالص فروخت
35%	1,221,263	گراس منافع
48%	437,629	آپریٹنگ منافع
(68)%	157,621	منافع بعد از ٹیکس

سروس انڈسٹریز لمیٹڈ نے اس سہ ماہی میں اپنے مالیاتی گوشواروں کے مطابق 8.68 ارب روپے کی آمدن فروخت حاصل کی ہے جو کہ گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 25% زیادہ ہے۔ آپریٹنگ منافع 646.43 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں 437.63 ملین روپے تھا۔ بعد از ٹیکس منافع 50.01 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں 157.62 ملین روپے تھا۔

ٹائر ڈویژن

ٹائر ڈویژن سروس انڈسٹریز لمیٹڈ کی آمدنی کا ایک بڑا ذریعہ ہے۔ ٹائر ڈویژن نے اس سہ ماہی میں تقریباً 1.61 ارب روپے یعنی پچھلے سال کی اسی سہ ماہی کے مقابلے میں 31% کی آمدن فروخت میں نمو حاصل کی ہے۔ آمدن فروخت میں یہ اضافہ پیداواری استعداد میں توسیع کا نتیجہ ہے۔ عالمی سطح پر خام مال کی قیمتوں میں اضافے، روپے کی قدر کم ہونے، توانائی کی لاگت میں اضافے، ترسیل کے اخراجات میں اضافے اور اسٹیٹ بینک آف پاکستان کی طرف سے شرح سود میں اضافے کی وجہ سے موجودہ مالی سال کی پہلی سہ ماہی میں کمپنی کے ٹائر کے شعبے میں منافع کم رہا۔

تاہم، ان مشکلات کے باوجود، ہماری ٹائر ڈویژن کی انتظامیہ اپنی سادگی پر انحصار کرتے ہوئے اپنے کاروباری تناسب کو قائم رکھنے کے لئے پرعزم ہے۔ انتظامیہ نے اس عرصے میں پیداواری استعداد بڑھانے میں کثیر سرمایہ کاری کی ہے جس کے نتیجے میں اس سال کم پیداواری لاگت کے ساتھ فروخت میں اضافہ ہوگا۔

فٹ وئیر ڈویژن

جو توں کی آمدن فروخت میں اس سہ ماہی میں گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 11 فیصد کا اضافہ ہوا۔ جو توں کے مقامی کاروبار کا منافع جو اب جوئے کی فروخت کا اہم حصہ ہے، کو سخت مشکلات کا سامنا کرنا پڑ رہا ہے کیونکہ ملک میں خوردہ مارکیٹ دباؤ کا شکار ہے۔ اس مشکل صورت حال میں، کم منافع کے باوجود، دستیاب پیداواری استعداد کو بروئے کار لانے کے لیے کمپنی نے اداروں سے کاروبار بڑھایا۔

ملک بھر میں ریٹیل اسٹورز کھولنے کی وجہ سے ریٹیل کاروبار مسلسل بڑھ رہا ہے۔ 2021 میں اسٹورز کی تعداد تقریباً دو گنی ہو گئی، اور زیر جائزہ مدت میں، دسمبر 2021 کے آخر میں 91 اسٹورز سے یہ تعداد بڑھ کر 104 اسٹورز ہو گئی۔ یہ زبردست اضافہ گزشتہ سال کی گئی ان اصلاحات کی بنیاد پر مبنی ہے جس کے نتیجے میں علاقے کی مناسبت سے مصنوعات فروخت کرنا فروخت پر مناسب رعایت، جو توں کا مناسب سٹاک رکھنا اور بہتر پروڈکٹ پورٹ فولیو کے ذریعے مجموعی مارجن میں بہتری آئی۔ 2022 میں مزید 50 اسٹورز کے توسیعی منصوبے کے ساتھ کاروبار ترقی کی راہ پر گامزن ہے۔

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