

Report & Un-Audited Accounts
for the Half Year Ended
June 30, 2021

*Transforming
vision into reality..*



Servis

Service Global Footwear Limited

Contents

Condensed Interim Financial Statements

| | |
|-------|--|
| 02 | Company Information |
| 04-06 | Director's Report to the Shareholders |
| 25-28 | Director's Report to the Shareholders (Urdu) |
| 07 | Independent Auditor's Review Report |
| 08-09 | Condensed Interim Statement of Financial Position |
| 10 | Condensed Interim Statement of Profit or Loss |
| 11 | Condensed Interim Statement of Comprehensive Income |
| 12-13 | Condensed Interim Statement of Changes in Equity |
| 14 | Condensed Interim Statement of Cash Flows |
| 15-24 | Selected Notes to the Condensed Interim Financial Statements |

Company Information

Board of Directors

Mr. Arif Saeed

(Chairman)

Non-Executive Director

Mr. Hassan Javed

(Chief Executive Officer)

Executive Director

Chaudhry Ahmed Javed

Non-Executive Director

Mr. Omar Saeed

Non-Executive Director

Mr. Azmat Ali Ranjha

Independent Director

Mr. Abdul Rashid Lone

Independent Director

Ms. Maleeha Humayun Bangash

Independent Director

Mr. Hassan Ehsan Cheema

Executive Director

Mr. Qadeer Ahmed Vaseer

Executive Director

Chief Financial Officer

Mr. Usman Liaquat

Company Secretary

Mr. Waheed Ashraf

Audit Committee

Mr. Abdul Rashid Lone

Chairman

Mr. Omar Saeed

Member

Ms. Maleeha Humayun Bangash

Member

Human Resource and

Remuneration Committee

Mr. Azmat Ali Ranjha

Chairman

Mr. Hassan Javed

Member

Mr. Omar Saeed

Member

Bankers

MCB Bank Limited

Habib Bank Limited

Faysal Bank Limited

Soneri Bank Limited

Allied Bank Limited

Askari Bank Limited

Meezan Bank Limited

MCB Islamic Bank Limited

Habib Metropolitan Bank

Standard Chartered Bank

(Pakistan) Limited

Samba Bank Limited

Bank Al Habib Limited

Auditors

M/s. Riaz Ahmad & Company,

Chartered Accountants

Legal Advisor

M/s. Bokhari Aziz & Karim

2-A, Block-G, Gulberg-II,

Lahore.

Registered Office

Servis House,

2-Main Gulberg,

Lahore-54662.

Tel: +92-42-35751990-96

Fax: +92-42-35710593,

35712109

Shares Registrar

M/s. Corplink (Pvt.)

Limited

Wings Arcade, 1-K

Commercial, Model

Town, Lahore

Tel: +92-42-35916714,

35916719,

35839182

Fax: +92-42-35869037

Pakistan Stock

Exchange Limited

Stock Exchange Symbol

SGF

Factory

10-KM Muridke,

Sheikhupura Road,

Muridke

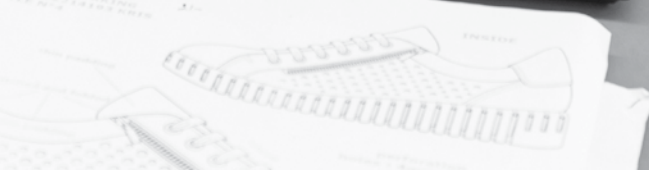
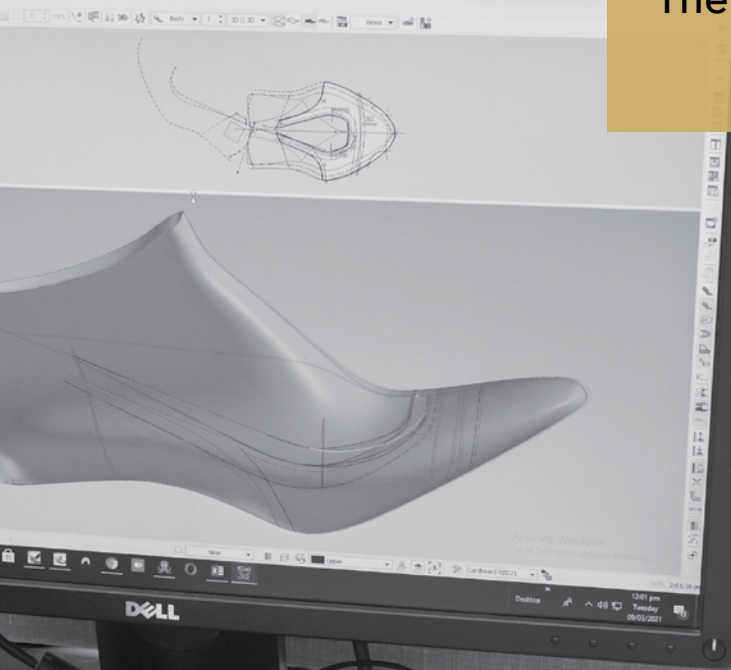
Web Presence

www.

serviceglobalfootwear.

com

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



Directors' Report to the Shareholders

The Directors take pleasure in presenting their Report along with the condensed interim financial information of Service Global Footwear Limited ("SGFL") for the period ended June 30, 2021.

The unprecedented and unforeseen global pandemic of COVID-19 halted the strong momentum of growth of the company. 2021 was expected to be the year that SGFL would reap the rewards of the foundations laid over the last few years. Our core customers were performing well, new customers were ready to take the next leap after a few seasons of successful orders and we were in negotiations with some leading European brands to bring their business to SGFL. Consequently, SGFL had to suddenly change its strategic and operational trajectory to deal with the aftermath of COVID-19 and looked towards consolidation.

Key Performance Indicators (KPIs)

Please find below key performance indicators of condensed interim financial statements of SGFL for the half year ended June 30, 2021.

| Particulars | Half Year Ended June 30 | | |
|----------------------|-------------------------|--------------------|----------------------|
| | June 2021 "000" | June 2020 "000" | Percentage Change |
| Net Sales | 3,048,648 | 3,223,540 | (5.42%) |
| Operating profit | 304,735 | 385,319 | (20.91%) |
| Profit before tax | 223,565 | 318,732 | (29.86%) |
| Net profit after tax | 145,095 | 285,701 | (49.21%) |

SGFL recorded net sales of PKR 3.05 billion in its financial statements during the six months showing a decline of 5.42% from same period last year. Profit before tax amounted to PKR 223.57 million against profit before tax of PKR 318.73 million in the same period last year. Net profit after tax amounted to PKR 145.09 million against profit after tax of PKR 285.70 million in the same period last year.

The corresponding half year ending 30 June 2020 included financial results of three months of normal (pre-Covid) period which were excellent, hence its comparison with the current half year under review depicted a decreasing trend in profitability. Moreover, the overall Footwear export business of the country remained under stress during the half year under review.

The management at SGFL is deeply committed to deliver strong shareholder value despite the tough economic environment in Pakistan and in the world. The European countries negatively impacted by COVID are Italy, France, UK, Spain and Germany and all these countries are core markets of SGFL contributing more than 75% of its sales. Inspite of tough and prolonged lock downs, the Company has been able to recover its business in second quarter of the year under review with an increase of 34% in sales. In order to retain customers and business, the Company had to offer some discounts

in this tough economic environment which had a negative impact on the profitability. We followed the strategy of growth in our top line and we expect that this strategy of growth will help us in improving our profitability in next quarters.

Apart from discounts offered to customers, the company's profitability was also hit due to rupee appreciation against USD & EURO and massive increase in logistic cost (both inward and outward).

Please refer to the following table which depicts the rupee appreciation against USD and EURO during the half year under review.

| Months | USD | EURO |
|---------------|--------|--------|
| 31st Dec 2020 | 160.25 | 196.87 |
| Jan-21 | 160.39 | 195.03 |
| Feb-21 | 159.36 | 192.81 |
| Mar-21 | 156.34 | 186.49 |
| Apr-21 | 153.32 | 183.16 |
| May-21 | 153.55 | 186.48 |
| Jun-21 | 156.40 | 188.66 |

The above table clearly reflects the trend of appreciation of Pak rupee against USD and EURO. The export business of SGFL which constitutes 95% of total sales and with prices locked before the start of the season will always lose due to rupee appreciation.

However we foresee that the current drop in profitability is temporary. Our ability and strategy to maintain customers coupled with mix of talent and capability that we add to the market makes us well positioned to continue to grow and lead the market in export business. Moreover, we strongly believe that Pakistan's footwear and the company's footwear business has a huge potential for growth in future.

Listing Of Shares On Pakistan Stock Exchange Limited And Equity Investment In Service Long March Tyres (Pvt) Limited

The Board of Directors of SGFL in their meeting held on September 29, 2020 approved the proposal of the management to apply for the listing of the Company on Pakistan Stock Exchange Limited, as per applicable laws, rules and regulations through issuance of 40,887,500 shares via IPO. The entire Issue was to be offered through the book building method at a Floor Price of PKR 38.00/- per share (including premium of PKR 28.00/- per share) with a maximum price band of up to 40% i.e. PKR 53.20 per share. The Board of Directors also approved to invest the amount to be raised at the Floor Price i.e. PKR 1.554 billion as an equity investment in "Service Long March Tyres (Private) Limited" ("SLM") an associated company and to become a stakeholder of approximately 18.91% of the total shareholding of SLM.

The Book building process which was held on 7th & 8th April 2021 was heavily over-subscribed and resulted in a strike price of PKR 53.2 per share: the maximum possible

under the regulations. The retail subscription which was held on 12th & 13th April 2021 was also heavily over-subscribed, Consequently, funds of Rs 2.175 billion (including Rs 621.49 million being the difference of floor price and strike price) were raised by the Company under IPO . This was all possible due to the excellent brand value and strong corporate image of the Servis group, and a testament to years of hard work.

Shares under IPO to successful bidders were allotted by the Company on April 26, 2021 and the company was listed on PSX on April 28, 2021. The Board of Directors of the Company in their meeting held on June 08, 2021 approved further investment of Rs 621.49 million (raised by the company over and above the floor price) as equity investment in SLM. To date, the Company has made an equity investment of Rs 1.55 Billion in SLM.

Earning Per Share (Eps)

The Basic earnings per share of the Company stood at PKR 0.813 for the half year under review as compared to PKR 31.19 compared to same period last year.

The Diluted earnings per share of the Company stood at PKR 0.812 for the half year under review as compared to PKR 31.19 compared to same period last year.

Future Outlook amid COVID-19

In the second half of the year, we expect an increase in sales quantity by more 10% over the corresponding period last year. We have also achieved better prices for the next season (Spring – Summer 2022). Moreover, at the time of writing this report, the rupee has strongly depreciated against USD and EURO. Considering the weakening of rupee, robust demand of Company's products is international market and increased sales prices, the management is confident of achieving excellent financial results in the coming quarters.

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 to 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
Chairman



Hassan Javed
Chief Executive

Dated: August 25, 2021
LAHORE.

Independent Auditor's Review Report

To the members of Service Global Footwear Limited
Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **SERVICE GLOBAL FOOTWEAR LIMITED** as at 30 June 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 30 June 2021 and 30 June 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 30 June 2021.

Scope of Review

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

Conclusion

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

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: August 25, 2021

Condensed Interim Statement of Financial Position (Unaudited)

As at June 30, 2021

| | (Unaudited) June 30, 2021 | (Audited) December 31, 2020 |
|---|---------------------------------|-----------------------------------|
| Note | (Rupees in thousand) | |
| EQUITY AND LIABILITIES | | |
| Share capital and reserves | | |
| Authorized share capital | | |
| 250,000,000 (31 December 2020: 250,000,000) | | |
| ordinary shares of Rupees 10 each | 2,500,000 | 2,500,000 |
| Issued, subscribed and paid-up share capital | | |
| 204,437,500 (31 December 2020: 163,550,000) | | |
| ordinary shares of Rupees 10 each | 2,044,375 | 1,635,500 |
| Reserves | 4,419,180 | 2,595,287 |
| Total equity | 6,463,555 | 4,230,787 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Long term financing - secured | 325,110 | 393,429 |
| Employees' retirement benefit | 108,207 | 98,642 |
| Deferred income - Government grant | 836 | 3,476 |
| | 434,153 | 495,547 |
| Current liabilities | | |
| Trade and other payables | 1,468,228 | 1,375,589 |
| Accrued mark-up | 33,573 | 25,311 |
| Short term borrowings | 3,636,888 | 4,257,957 |
| Current portion of non-current liabilities | 147,063 | 136,327 |
| | 5,285,752 | 5,795,184 |
| | 5,719,905 | 6,290,731 |
| Total liabilities | | |
| Contingencies and commitments | 4 | |
| TOTAL EQUITY AND LIABILITIES | 12,183,460 | 10,521,518 |

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



Hassan Javed
Chief Executive

| | | (Unaudited) June 30, 2021 | (Audited) December 31, 2020 |
|-------------------------------------|------|---------------------------------|-----------------------------------|
| | Note | (Rupees in thousand) | |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 5 | 2,111,878 | 2,087,874 |
| Long term investments | 6 | 1,544,978 | - |
| Long term security deposits | | 5,709 | 5,702 |
| Long term loans to employees | | 8,593 | 7,580 |
| Long term loan to Holding Company | | 2,500,000 | - |
| | | 6,171,158 | 2,101,156 |
| Current assets | | | |
| Stores, spares and loose tools | | 85,220 | 43,535 |
| Stock in trade | | 1,811,715 | 1,381,029 |
| Trade debts | | 687,337 | 936,041 |
| Loans and advances | | 1,266,640 | 3,149,790 |
| Accrued mark-up | | 78,668 | 65,229 |
| Short term deposits and prepayments | | 13,354 | 6,546 |
| Other receivables | | 1,270,165 | 1,581,779 |
| Cash and bank balances | | 799,203 | 1,256,413 |
| | | 6,012,302 | 8,420,362 |
| Total Assets | | 12,183,460 | 10,521,518 |



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

Condensed Interim Statement of Profit or Loss (Unaudited)

For the half year ended 30 June 2021

| | | Half Year Ended | | Quarter Ended | |
|---------------------------------------|------|------------------|------------------|------------------|------------------|
| | Note | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| (Rupees in thousand) | | | | | |
| Revenue from contracts with | | | | | |
| Customer - Net | 7 | 3,048,648 | 3,223,540 | 1,379,404 | 1,025,705 |
| Cost of Sales | 8 | (2,474,339) | (2,630,071) | (1,179,715) | (879,376) |
| Gross Profit | | 574,309 | 593,469 | 199,689 | 146,329 |
| Distribution Cost | | (245,328) | (295,370) | (125,612) | (157,819) |
| Administrative Expenses | | (205,608) | (161,299) | (109,989) | (72,746) |
| Other Expenses | | (14,603) | (16,147) | 4,561 | (2,239) |
| | | (465,539) | (472,816) | (231,040) | (232,804) |
| | | 108,770 | 120,653 | (31,351) | (86,475) |
| Other Income | | 195,965 | 264,666 | 111,713 | 159,751 |
| Profit from Operations | | 304,735 | 385,319 | 80,362 | 73,276 |
| Finance Cost | | (96,148) | (66,587) | (49,639) | (21,826) |
| | | 208,587 | 318,732 | 30,723 | 51,450 |
| Share of Profit of Equity Accounted | | | | | |
| Investee - Net of Taxation | | 14,978 | - | 14,978 | - |
| Profit Before Taxation | | 223,565 | 318,732 | 45,701 | 51,450 |
| Taxation | | (78,470) | (33,031) | (39,965) | (11,024) |
| Profit After Taxation | | 145,095 | 285,701 | 5,736 | 40,426 |
| Earnings Per Share - Basic (Rupees) | | | | | |
| | | 0.813 | 31.190 | 0.030 | 3.046 |
| Earnings Per Share - Diluted (Rupees) | | | | | |
| | | 0.812 | 31.190 | 0.030 | 3.046 |

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaquat
(Chief Financial Officer)

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the half year ended 30 June 2021

| | Half Year Ended | | Quarter Ended | |
|---|----------------------|----------|---------------|----------|
| | June | June | June | June |
| | 30, 2021 | 30, 2020 | 30, 2021 | 30, 2020 |
| | (Rupees in thousand) | | | |
| PROFIT AFTER TAXATION | 145,095 | 285,701 | 5,736 | 40,426 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Other comprehensive income for the period | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 145,095 | 285,701 | 5,736 | 40,426 |

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

Condensed Interim Statement of Changes in Equity (Unaudited)

For the half year ended June 30, 2021

| | Share Capital | Share Capital to be issued | RESERVES | | | | | TOTAL EQUITY |
|--|---------------|----------------------------|--------------------------------------|---------------|----------------------------------|------------------------|-----------|--------------|
| | | | CAPITAL RESERVES | | | REVENUE RESERVE | | |
| | | | Reserve for issuance of bonus Shares | Share premium | Employee's share options reserve | Un-appropriated profit | Total | |
| | | | | | | | | |
| Rupees in thousand | | | | | | | | |
| | 50,500 | 1,500,000 | 463,521 | - | - | 498,120 | 961,641 | 2,512,141 |
| Balance as at 31 December 2019 - audited | | | | | | | | |
| Reserve for issuance of bonus shares arising pursuant to the Scheme of Compromises, Arrangement and Reconstruction (under section 279 to 283 and 285 of the Companies Act, 2017) between the Company and its members and Service Industries Limited - Holding Company and its members ("the Scheme") | | | | | | | | |
| | - | - | 927,163 | - | - | - | 927,163 | 927,163 |
| Transactions with owners: | | | | | | | | |
| Issue of ordinary shares fully paid-up in cash to Service Industries Limited - Holding Company | | | | | | | | |
| | 85,000 | - | - | - | - | - | - | 85,000 |
| Profit for the period ended 30 June 2020 | | | | | | | | |
| | - | - | - | - | - | 285,701 | 285,701 | 285,701 |
| Other comprehensive income for the period ended 30 June 2020 | | | | | | | | |
| | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period ended 30 June 2020 | | | | | | | | |
| | 135,500 | 1,500,000 | 1,390,684 | - | - | 285,701 | 285,701 | 285,701 |
| Balance as at 30 June 2020 - un-audited | | | | | | | | |
| Transactions with owners: | | | | | | | | |
| Ordinary shares issued to Service Industries Limited - Holding Company pursuant to the Scheme | | | | | | | | |
| | 1,500,000 | (1,500,000) | - | - | - | - | - | - |
| Profit for the period ended 31 December 2020 | | | | | | | | |
| | - | - | - | - | - | 423,094 | 423,094 | 423,094 |
| Other comprehensive loss for the period ended 31 December 2020 | | | | | | | | |
| | - | - | - | - | - | (2,312) | (2,312) | (2,312) |
| Total comprehensive income for the period ended 31 December 2020 | | | | | | | | |
| | - | - | - | - | - | 420,782 | 420,782 | 420,782 |
| Balance as at 31 December 2020 - audited | | | | | | | | |
| | 1,635,500 | - | 1,390,684 | - | - | 1,204,603 | 2,595,287 | 4,230,787 |

Condensed Interim Statement of Changes in Equity (Unaudited)

For the half year ended June 30, 2021

| | Share Capital | Share Capital to be issued | RESERVES | | | | | TOTAL EQUITY |
|--|---------------|----------------------------|--------------------------------------|---------------|----------------------------------|------------------------|-----------|--------------|
| | | | CAPITAL RESERVES | | | REVENUE RESERVE | | |
| | | | Reserve for issuance of bonus Shares | Share premium | Employee's share options reserve | Un-appropriated profit | Total | |
| | | | | | | | | |
| Rupees in thousand | | | | | | | | |
| Transactions with owners: | | | | | | | | |
| | 408,875 | - | - | 1,766,340 | - | - | 1,766,340 | 2,175,215 |
| | - | - | - | (97,066) | - | - | (97,066) | (97,066) |
| | 408,875 | - | - | 1,669,274 | - | - | 1,669,274 | 2,078,149 |
| Employee share option reserve | - | - | - | - | 9,524 | - | 9,524 | 9,524 |
| Profit for the period ended 30 June 2021 | - | - | - | - | - | 145,095 | 145,095 | 145,095 |
| Other comprehensive income for the period ended 30 June 2021 | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period ended 30 June 2021 | - | - | - | - | - | 145,095 | 145,095 | 145,095 |
| Balance as at 30 June 2021 - un-audited | 2,044,375 | - | 1,390,684 | 1,669,274 | 9,524 | 1,349,698 | 4,419,180 | 6,463,555 |

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



Arif Saeed
(Director)



Hassan Javed
(Chief Executive)



Usman Liaqat
(Chief Financial Officer)

Condensed Interim Statement of Cash Flows (Unaudited)

For the half year ended June 30, 2021

| | | Half Year ended | |
|--|------|----------------------|------------------|
| | | June 30, 2021 | June 30, 2020 |
| | Note | (Rupees in thousand) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 9 | 240,596 | 162,533 |
| Finance cost paid | | (79,101) | (73,701) |
| Income tax paid | | (34,362) | (34,082) |
| Staff retirement benefit paid | | (705) | (2,150) |
| Long term loans to employees - net | | 3,580 | 2,000 |
| Long term security deposits - net | | (1,064) | (220) |
| Net cash generated from operating activities | | 128,944 | 54,380 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on fixed assets | | (104,491) | (164,392) |
| Proceeds from disposal of fixed assets | | 82 | - |
| Loan given to Service Industries Limited - Holding Company | | (1,688,000) | (190,417) |
| Loan repayment from Service Industries Limited - Holding Company | | 1,190,300 | - |
| Profit on term deposit receipts received | | 7,524 | - |
| Mark-up received on loan to Service Industries Limited - Holding Company | | 141,574 | - |
| Long term investment made | | (1,530,000) | - |
| Net cash used in investing activities | | (1,983,011) | (354,809) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long term financing | | (60,223) | (858) |
| Proceeds from issuance of share capital - net of share issuance costs | | 2,078,149 | 85,000 |
| Short term borrowings - net | | (621,069) | 209,845 |
| Net cash from financing activities | | 1,396,857 | 293,987 |
| Net decrease in cash and cash equivalents | | (457,210) | (6,442) |
| Cash and cash equivalents at the beginning of the period | | 1,256,413 | 8,581 |
| Cash and cash equivalents at the end of the period | | 799,203 | 2,139 |

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaquat
(Chief Financial Officer)

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2021

1. The Company and its Operations

- 1.1 Service Global Footwear Limited (the Company) was incorporated as a public limited Company on 19 July 2019 in Pakistan under the Companies Act, 2017 and got listed on 28 April 2021. 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 manufacturing, sale, marketing, import and export of footwear, leather and allied products. The Company is the subsidiary of Service Industries Limited.

2 Basis of Preparation

- 2.1 These 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 condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2020. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors.

3. Accounting Policies

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual financial statements of the Company for the year ended 31 December 2020 except for the adoption of accounting policies as stated in note 3.2 and 3.3 to these condensed interim financial statements.

3.1 Critical Accounting Estimates and Judgments

The preparation of these 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 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

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2021

in the preceding audited annual financial statements of the Company for the year ended 31 December 2020.

3.2 Investment in associate - (with significant influence)

Associate is an entity over which the Company 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 Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company'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 Company'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 Company 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 Company and its associates are eliminated to the extent of the Company'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 investee have been changed where necessary to ensure consistency with the policies adopted by the Company.

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

3.3 Employees' share option scheme

The Company operates an equity settled share based Employees Stock Option Scheme. The compensation committee of the Board of Directors of the Company evaluates the performance and other criteria of employees and approves the grant of options. These options vests with employees over a specific period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options.

At the grant date of share options to the employees, the Company initially recognises employee compensation expense with corresponding credit to equity as employee share options reserve at the fair value of option at the grant date. The fair value of option determined at the grant date is recognised as an employee compensation expense on a straight line basis over the vesting period. Fair value of options is arrived at using Black Scholes pricing model.

When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

4. Contingencies and Commitments

4.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2020 except for the following:

- 4.1.1** Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 1,575.529 million (31 December 2020: Rupees 1,686.555 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheques issued as security shall be encashable.

4.2 Commitments

- 4.2.1** Letters of credit other than capital expenditure are of Rupees 84.520 million (31 December 2020: Rupees 196.393 million).

- 4.2.2** Contracts for capital expenditure are approximately of Rupees 14.360 million (31 December 2020: Rupees 32.740 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 and ijarah rentals are payable on half yearly and monthly basis respectively. Future monthly Ujrah payments under ijarah are as follows:

| | Note | (Unaudited) June 30, 2021 (Rupees in thousand) | (Audited) December 31, 2020 (Rupees in thousand) |
|---|------|---|---|
| Not later than one year | | 6,245 | 7,940 |
| Later than one year and not later than five years | | 3,081 | 5,846 |
| | | 9,326 | 13,786 |

5 Fixed Assets

| | | | |
|--------------------------|------------|-----------|-----------|
| Operating fixed assets | (Note 5.1) | 2,102,746 | 1,961,394 |
| Capital work-in-progress | (Note 5.2) | 9,132 | 126,480 |
| | | 2,111,878 | 2,087,874 |

5.1 Operating fixed assets

Owned

| | | | |
|---|--|-----------|-----------|
| Opening net book value | | 1,961,394 | 925,239 |
| Add: Cost of additions during the period / year (Note 5.1.1) | | 221,839 | 242,100 |
| Add: Completion date adjustment pursuant to the scheme (Note 5.1.2) | | - | 927,163 |
| Less: Book value of deletions during the period / year (Note 5.1.3) | | (69) | (1,021) |
| Less: Depreciation charged during the period / year | | (80,418) | (132,087) |
| Closing net book value | | 2,102,746 | 1,961,394 |

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2021

| | Note | (Unaudited) June 30, 2021 (Rupees in thousand) | (Audited) December 31, 2020 |
|--|------|---|-----------------------------------|
| 5.1.1 Cost of additions during the period / year | | | |
| Freehold land | | - | 135,661 |
| Buildings on freehold land | | 151,501 | 34,778 |
| Plant and machinery | | 423 | 45,635 |
| Furniture, fixture and fittings | | 1,895 | 4,127 |
| Service equipment | | 68,020 | 21,899 |
| | | 221,839 | 242,100 |
| 5.1.2 Completion date adjustment pursuant to the scheme | | | |
| Freehold land | | - | 245,975 |
| Buildings on freehold land | | - | 237,430 |
| Plant and machinery | | - | 443,758 |
| | | - | 927,163 |
| 5.1.3 Book value of deletions during the period / year | | | |
| Cost of deletions: | | | |
| Plant and machinery | | - | 3,598 |
| Service equipment | | 553 | 1,248 |
| | | 553 | 4,846 |
| Less: Accumulated depreciation | | 484 | 3,825 |
| Book value of deletions during the period / year | | 69 | 1,021 |
| 5.2 Capital work-in-progress | | | |
| Buildings on freehold land | | 5,268 | 112,353 |
| Plant and machinery | | 312 | - |
| Furniture, fixture and fittings | | 395 | 1,052 |
| Service equipment | | 3,157 | 13,075 |
| | | 9,132 | 126,480 |
| 6 Long Term Investment | | | |
| Investment in associate (with significant influence) | | | |
| - under equity method (Note 6.1) | | 1,544,978 | - |
| 6.1 Investment in associate (with significant influence) - under equity method | | | |
| Service Long March Tyres (Private) Limited | | | |
| 153,000,000 (31 December 2020 : Nil) | | | |
| fully paid ordinary shares of Rupees 10 each | | 1,530,000 | - |
| As at the beginning of the period / year | | - | - |
| Add: Excess of Company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of investment | | 13,102 | - |
| Add: Share of post acquisition profit for the period / year | | 1,876 | - |
| | | 14,978 | - |
| | | 1,544,978 | - |

7 Revenue from contracts with customers - net

| Note | (Un-audited) Half Year Ended | | (Un-audited) Quarter Ended | |
|---------------|---------------------------------|------------------|-------------------------------|------------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| | (Rupees in thousand) | | | |
| Export sales | 2,812,490 | 3,047,083 | 1,245,327 | 957,088 |
| Local sales | 190,121 | 38,323 | 110,319 | 14,717 |
| Duty drawback | 46,037 | 138,134 | 23,758 | 53,900 |
| | 3,048,648 | 3,223,540 | 1,379,404 | 1,025,705 |

8 Cost of sales

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Raw materials consumed (Note 8.1) | 1,536,961 | 1,531,262 | 859,781 | 721,487 |
| Salaries, wages and other benefits | 696,200 | 750,311 | 351,972 | 347,379 |
| Stores and spares consumed | 73,314 | 89,235 | 43,930 | 54,229 |
| Packing materials consumed | 150,424 | 157,369 | 78,464 | 67,442 |
| Fuel and power | 35,560 | 37,021 | 16,426 | 13,290 |
| Insurance | 3,882 | 3,121 | 841 | 1,607 |
| Travelling and conveyance | 787 | 6,184 | 314 | 942 |
| Repair and maintenance | 15,694 | 14,131 | 6,689 | 5,792 |
| Entertainment | 1,919 | 1,807 | 932 | 802 |
| Depreciation | 79,496 | 52,485 | 40,764 | 29,199 |
| Rent, rates and taxes | - | 1,500 | - | 544 |
| (Reversal of provision) / provision of slow moving and obsolete inventory | (3,511) | 16,122 | (779) | 12,729 |
| Other manufacturing charges | 17,624 | 31,316 | 9,195 | 7,587 |
| | 2,608,350 | 2,691,864 | 1,408,529 | 1,263,029 |
| Work in process: | | | | |
| Opening stock | 250,274 | 230,448 | 190,694 | 192,521 |
| Less: Closing stock | 261,598 | 228,589 | 261,598 | 228,589 |
| | (11,324) | 1,859 | (70,904) | (36,068) |
| Cost of goods manufactured | 2,597,026 | 2,693,723 | 1,337,625 | 1,226,961 |
| Finished goods: | | | | |
| Opening stock | 454,887 | 544,609 | 456,729 | 260,676 |
| Add: Purchases during the period | 41,530 | 22,085 | 4,465 | 22,085 |
| Less: Closing stock | 619,104 | 630,346 | 619,104 | 630,346 |
| | (122,687) | (63,652) | (157,910) | (347,585) |
| | 2,474,339 | 2,630,071 | 1,179,715 | 879,376 |

8.1 Raw materials consumed

| | | | | |
|----------------------------------|-----------|-----------|-----------|---------|
| Opening stock | 684,426 | 803,415 | 650,438 | 608,335 |
| Add: Purchases during the period | 1,812,070 | 1,398,194 | 1,168,878 | 783,499 |
| Less: Closing stock | 959,535 | 670,347 | 959,535 | 670,347 |
| | 1,536,961 | 1,531,262 | 859,781 | 721,487 |

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2021

| | Note | (Unaudited) June 30, 2021 (Rupees in thousand) | (Unaudited) June 30, 2020 |
|------------|---|---|---------------------------------|
| 9 | Cash generated from operations | | |
| | Profit before taxation | 223,565 | 318,732 |
| | Adjustments for non-cash charges and other items: | | |
| | Depreciation | 80,418 | 53,256 |
| | Provision for gratuity | 10,270 | 11,482 |
| | Finance cost | 96,148 | 66,587 |
| | Amortisation of deferred income | (8,785) | - |
| | Gain on sale of operating fixed assets | (13) | - |
| | Provision for workers' profit participation fund | 4,490 | 7,161 |
| | Interest on workers' profit participation fund | 1,250 | - |
| | Provision for workers' welfare fund | 4,563 | 6,505 |
| | (Reversal of provision) / provision for slow moving and obsolete inventory | (3,511) | 16,122 |
| | Allowance / (reversal) for expected credit loss | 4,300 | (2,141) |
| | Interest on term deposit receipts | (11,234) | - |
| | Employee share option expense | 9,524 | - |
| | Share of profit of equity accounted investee | (14,978) | - |
| | Interest on loan to Service Industries Limited - Holding Company | (155,013) | (125,402) |
| | Working capital changes (Note 9.1) | (398) | (189,769) |
| | | 240,596 | 162,533 |
| 9.1 | Working capital changes | | |
| | Decrease / (increase) in current assets: | | |
| | Stores, spares and loose tools | (38,174) | (6,124) |
| | Stock in trade | (430,686) | (228,629) |
| | Trade debts | 244,404 | (133,328) |
| | Loan and advances | (123,743) | (90,844) |
| | Short term deposits and prepayments | (5,751) | (5,830) |
| | Other receivables | 271,216 | (20,477) |
| | | (82,734) | (485,232) |
| | Increase in trade and other payables | 82,336 | 295,463 |
| | | (398) | (189,769) |

10 Recognized fair value measurements - financial instruments

(i) Fair value hierarchy

Certain financial assets and financial liabilities are 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. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, 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.

11 Transactions with Related Parties

The related parties comprise of the Holding Company, subsidiaries of the Holding Company, associated companies, employees' gratuity fund trust, employees' provident fund trust and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2021

(i) Transactions:

| | (Un-audited) Half Year Ended June 30, 2021 | | (Un-audited) Quarter Ended June 30, 2021 | |
|--|---|---------|---|---------|
| | June 30, 2020 | | June 30, 2020 | |
| (Rupees in thousand) | | | | |
| Service Industries Limited - Holding company | | | | |
| Sale of goods | 55,056 | 55,822 | 51,621 | 50,741 |
| Purchase of goods | 55,903 | - | 4,519 | - |
| Loan given | 1,688,000 | 190,417 | 533,000 | 190,417 |
| Loan repaid | 1,190,300 | - | 1,190,300 | - |
| Expenses charged to the company | 77,183 | 132,922 | 41,211 | 56,025 |
| Interest charged | 155,013 | 125,402 | 78,668 | 73,173 |
| Share capital issued | - | 850,000 | - | 850,000 |
| Jomo Technologies (Private) Limited - associated company | | | | |
| Sale of goods | 33,796 | - | 21,942 | - |
| Service Long March Tyres (Private) Limited - associated company | | | | |
| Investment made | 1,530,000 | - | 1,530,000 | - |
| Service Shoes Lanka (Private) Limited - sub-subsidiary company of the Holding Company | | | | |
| Sale of goods | 22,145 | 29,162 | 22,145 | 8,441 |
| Purchase of goods | 2,930 | - | 2,930 | - |
| Key management personnel | | | | |
| Remuneration | 59,976 | 18,300 | 29,988 | 11,400 |
| Meeting fee to directors - non executive | 972 | - | 972 | - |
| Other related parties | | | | |
| Post employment benefit plans | 44,514 | 46,226 | 23,763 | 29,057 |

(ii) Period end balances

| As at 30 June 2021 (Un-audited) | | |
|---------------------------------|-----------------------|-------|
| Holding companies | Other related parties | Total |

(Rupees in thousand)

| | | | |
|--------------------------|-----------|---------|-----------|
| Employee benefit plans | - | 108,207 | 108,207 |
| Trade debts | 58,586 | 127,081 | 185,667 |
| Trade and other payables | 59,671 | 3,647 | 63,318 |
| Accrued mark-up | 78,668 | - | 78,668 |
| Loan and advances | 3,411,991 | - | 3,411,991 |

| As at 31 December 2020 (Audited) | | |
|----------------------------------|-----------------------|-------|
| Holding companies | Other related parties | Total |

(Rupees in thousand)

| | | | |
|--------------------------|-----------|---------|-----------|
| Employee benefit plans | - | 98,642 | 98,642 |
| Trade debts | 71,542 | 123,146 | 194,688 |
| Trade and other payables | 129,977 | 238 | 130,215 |
| Accrued mark-up | 65,229 | - | 65,229 |
| Loan and advances | 2,914,291 | - | 2,914,291 |

12 Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2020.

13 Detailed Break-Up Utilization Of The Proceeds Raised From The Issue

The Company issued Prospectus dated 31 March 2021 in relation to the Issue of 40,887,500 ordinary shares (20% of the total post-IPO paid-up capital of the Company) of face value of Rupees 10 each. The Company has received subscription amount of Rupees 2,175,215,000 against Initial Public Offer of 40,887,500 ordinary shares of face value of Rupees 10 each at a price of Rupees 53.2 per ordinary share (including premium of Rupees 43.2 per ordinary share). On 26 April 2021, shares have been duly allotted to all shareholders. As per paragraph 4.1.5 of the Prospectus, the proceeds from IPO shall be utilized for equity investment in SLM. SLM shall utilize the proceeds to make payments to the contractors on account of civil and Mechanical, Electrical and Plumbing (MEP) works of the Radial Bus and Truck Tyre Project. Detailed break-up utilization of the proceeds raised from the Issue for the period from 29 April 2021 to 30 June 2021 is as follows:

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2021

Rupees in thousand

| | |
|--|------------------|
| IPO Proceeds | 2,175,215 |
| Profit on term deposit receipt received by the Company | 3,354 |
| | <u>2,178,569</u> |

Amount invested in 153,000,000 ordinary shares of Rupees 10 each of Service Long March Tyres (Private) Limited (SLM)

Amount retained with the Company in the shape of term deposit receipt

1,530,000

648,569

2,178,569

Utilization of proceeds from issue of 153,000,000 ordinary shares of Rupees 10 each by SLM:

Amount invested in Term Deposits Receipts

1,530,000

14 Date of Authorization for Issue

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 25 August 2021.

15 Corresponding Figures

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and 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. However, no significant rearrangements have been made.

16 GENERAL

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaquat
(Chief Financial Officer)

اعتراف

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

منجانب بورڈ



عارف سعید
چئیرمین

حسن جاوید
چیف ایگزیکٹو

مورخہ 25 اگست 2021

لاہور

پاکستان اسٹاک ایکسچینج لمیٹڈ پر حصص کا اندراج اور سروس لاگ مارچ ٹائز (پرائیوٹ) لمیٹڈ میں ایکویٹی سرمایہ کاری

پس جی ایف ہل کے بورڈ آف ڈائریکٹرز نے 29 ستمبر 2020 کو ہونے والے اجلاس میں کمپنی کے حصص کی پاکستان اسٹاک ایکسچینج لمیٹڈ پر اندراج کی کمپنی کی انتظامیہ کی تجویز کی منظوری دی اور آئی پی او کے ذریعے، قابل اطلاق قوانین، قواعد و ضوابط کے مطابق 40،887،500 حصص جاری کیے۔ ان تمام حصص کا اجرا 38.00 روپے فی شیئر کی کم سے کم قیمت پر بک بلڈنگ طریقہ کے تحت کیا جاتا تھا (بشمول روپے پریمیم 28.00 فی شیئر) جس کا زیادہ سے زیادہ پرائس بینڈ 40 فیصد یعنی 53.20 روپے فی شیئر ہے۔ بورڈ آف ڈائریکٹرز نے کم سے کم قیمت پر جاری کردہ حصص سے حاصل کردہ رقم یعنی 1.554 ارب روپے تک ایکویٹی سرمایہ کاری کے طور پر سروس انڈسٹریز لمیٹڈ کی ایک ذیلی کمپنی سروس لاگ مارچ ٹائز (پرائیوٹ) لمیٹڈ میں سرمایہ کاری کرنے کی بھی منظوری دی ہے اور اس طرح سروس انڈسٹریز لمیٹڈ سروس لاگ مارچ ٹائز (پرائیوٹ) لمیٹڈ کی کل شیئر ہولڈنگ کا تقریباً 18.91% حصہ دار بن جائے گا۔

بک بلڈنگ کا عمل جو 7 اور 8 اپریل 2021 کو منعقد کیا گیا تھا، جس کو شاندار پزیرائی ملی اور اس کے نتیجے میں 53.2 روپے فی حصص کی قیمت حاصل ہوئی جو کہ قوانین و ضوابط کے تحت زیادہ سے زیادہ ممکنہ قیمت ہے۔ خوردہ سبسکریپشن جو 12 اور 13 اپریل 2021 کو منعقد کی گئی اس کو بھی شاندار پزیرائی ملی۔ چنانچہ کمپنی نے آئی پی او کے تحت 2.175 ارب روپے (بشمول 621.49 ملین روپے کے فلور پرائس اور اسٹرائٹیک پرائس کا فرق) کے فنڈز اکٹھے کیے۔ یہ سب کچھ بہترین برانڈ ویلیو اور سروس گروپ کی مضبوط کارپوریٹ منج کی وجہ سے ممکن ہوا اور برسوں کی محنت کا نتیجہ ہے۔

حصص 26 اپریل 2021 کو الاٹ کیے گئے تھے، اور پاکستان اسٹاک ایکسچینج پر سروس گلوبل فٹ ویئر لمیٹڈ کا اندراج 28 اپریل 2021 کو ہوا تھا۔ سروس گلوبل فٹ ویئر لمیٹڈ کے بورڈ آف ڈائریکٹرز نے مزید 621.49 ملین کے فنڈز کو سروس لاگ مارچ ٹائز (پرائیوٹ) لمیٹڈ میں ایکویٹی سرمایہ کاری کے طور پر استعمال کرنے کا فیصلہ کیا۔

فی شیئر آمدنی

زیر نظر نصف سال میں بنیادی فی شیئر آمدنی 0.813 روپے رہی۔ جو کہ گزشتہ سال کی اسی مدت کے میں 31.19 روپے تھی۔ زیر نظر نصف سال میں ڈائلوٹڈ فی شیئر آمدنی 0.812 روپے رہی۔ جو کہ گزشتہ سال کی اسی مدت کے میں 31.19 روپے تھی۔

کورونا وبا کے تناظر میں مستقبل پر ایک نظر

سال کے دوسرے نصف میں پچھلے سال کے مقابلے میں فروخت میں 10 فیصد اضافہ متوقع ہے۔ ہم نے اگلے سیزن (موسم بہار و گرما) 2022 کے لیے بہتر قیمتیں بھی حاصل کر لی ہیں۔ مزید یہ کہ اس وقت روپے کی قدر امریکی ڈالر اور یورو کے مقابلے میں بہت کم ہو چکی ہے۔ روپے کی قدر کی کمی، بین الاقوامی مارکیٹ میں کمپنی کی مصنوعات کی مضبوط مانگ اور فروخت کی قیمتوں میں اضافہ کو مد نظر رکھتے ہوئے، انتظامیہ آنے والے سہ ماہیوں میں بہترین مالی نتائج حاصل کرنے کے لیے پراعتماد ہے۔

ایس جی ایف لبل کی انتظامیہ پاکستان اور دنیا میں مشکل معاشی ماحول کے باوجود حصص یافتگان کو اپنے حصص کی اچھی قدر فراہم کرنے کے لیے پرعزم ہے۔ یورپ میں کوویڈ کی وجہ سے سب سے زیادہ متاثر ہونے والے ممالک اٹلی، فرانس، برطانیہ، اسپین اور جرمنی ہیں اور ایس جی ایف لبل کی 75 فیصد سے زیادہ فروخت بھی ان 5 ممالک میں ہے۔ سخت اور طویل لاک ڈاؤن کے باوجود، ہم فروخت میں 34 فیصد اضافے کے ساتھ دوسری سہ ماہی میں اپنا کاروبار بحال کرنے میں کامیاب رہے ہیں۔ گاہکوں اور کاروبار کو برقرار رکھنے کے لیے، ہمیں اس مشکل معاشی ماحول میں قیمتوں میں رعایت دینا پڑی جس کے نتیجے میں ہمارے منافع پر منفی اثرات مرتب ہوئے۔ تاہم، ہم نے اہم مالی اعداد و شمار میں نمو کی حکمت عملی پر عمل درآمد کیا ہے اور یہی حکمت عملی اگلی سہ ماہیوں میں بہتر منافع حاصل کرنے میں مددگار ہوگی۔

دیگر عوامل جنہوں نے کمپنی کے مالی اعداد و شمار پر اثر ڈالا وہ پچھلے سال کی اسی مدت کے مقابلے میں دوسری سہ ماہی میں روپے کی قدر میں یورو اور ڈالر کی نسبت اضافہ اور نقل و حمل کی لاگت (اندرونی اور بیرونی دونوں) میں بڑے پیمانے پر اضافہ ہے۔

درج ذیل جدول میں زیر نظر نصف سال کے دوران ڈالر اور یورو کے مقابلے میں روپے کی قدر میں اضافہ دکھایا گیا ہے۔

| یورو | ڈالر | مہینہ |
|--------|--------|---------------|
| 196.87 | 160.25 | 31 دسمبر 2020 |
| 195.03 | 160.39 | جنوری 2021 |
| 192.81 | 159.36 | مارچ 2021 |
| 186.49 | 156.34 | اپریل 2021 |
| 183.16 | 153.32 | مئی 2021 |
| 186.48 | 153.55 | جون 2021 |

مندرجہ بالا جدول ڈالر اور یورو کے مقابلے میں پاکستانی روپے کی قدر کے رجحان کی عکاسی کرتا ہے۔ ایس جی ایف لبل کا برآمدی کاروبار جو کل فروخت کا 95 فیصد ہے اور سیزن کے آغاز سے پہلے قیمتیں طے ہو جاتی ہیں چنانچہ روپے کی قدر میں اضافہ نقصان کا باعث بنتا ہے۔

تاہم، منافع میں یہ کمی عارضی ہے۔ گاہکوں کو اپنی طرف متوجہ رکھنے کی ہماری صلاحیت اور حکمت عملی کے ساتھ ساتھ جو ہم مارکیٹ میں نئی مصنوعات متعارف کرتے رہتے ہیں، ہمیں برآمدات کے کاروبار میں نمو فراہم کرنے اور سب سے آگے رہنے میں مدد کرتا ہے۔ ہم اس بات پر یقین رکھتے ہیں کہ پاکستان کے جو توں کی مارکیٹ اور کمپنی کے جو توں کے کاروبار میں مستقبل میں ترقی کے بہت زیادہ مواقع موجود ہیں۔

ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

ڈائریکٹرز اپنی رپورٹ بمعہ سروس گلوبل فٹ وئر لمیٹڈ کی 30 جون 2021 تک کی ششماہی کی مختصر عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کرونا کی غیر معمولی اور غیر متوقع عالمی وبا نے کمپنی کی نمو رفتار کو روک دیا ہے۔ 2021 سال میں یہ توقع تھی کہ ایف جی ایف لیبل، پچھلے کچھ سالوں میں رکھی گئی بنیاد کے ثمرات حاصل کرے گا۔ ہمارے پرانے گاہک اچھی کارکردگی کا مظاہرہ کر رہے تھے، نئے گاہک ابتدائی آرڈرز کی کامیابی کے بعد مزید بڑے آرڈرز دینے کے لیے تیار تھے اور ہم کچھ معروف یورپی برانڈز کے کاروبار کو ایف جی ایف لیبل میں لانے کے لیے ان سے بات چیت کر رہے تھے۔ کرونا وبا نتیجے میں، ایف جی ایف لیبل کو کرونا وبا کے بعد پیدا ہونے والی صورت حال سے نمٹنے کے لیے اپنا اپنی حکمت عملی تبدیل کرنا پڑی۔ چنانچہ نمو کے بجائے استحکام کی طرف توجہ مرکوز کر دی گئی۔

کمپنی کی کارکردگی

30 جون 2021 کو ختم ہونے والی ششماہی کے لئے گلوبل فٹ وئر لمیٹڈ کی انفرادی عبوری مالیاتی کارکردگی درج ذیل ہے۔

| ششماہی اختتام 30 جون 2021 | | | |
|---------------------------|--------------|------------------|-------------------|
| فیصد تبدیلی | جون 2020 SIL | جون 2021 SIL | |
| روپے ہزار میں | | | |
| (5.42%) | 3,223,540 | 3,048,648 | خالص فروخت |
| (20.91%) | 385,319 | 304,735 | آپریٹنگ منافع |
| (29.86%) | 318,732 | 223,565 | منافع قبل از ٹیکس |
| (49.21%) | 285,701 | 145,095 | منافع بعد از ٹیکس |

ایف جی ایف لیبل نے زیر نظر چھ ماہ کے دوران اپنے 3.05 ارب روپے کی خالص فروخت حاصل کی جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 5.42 فیصد کم ہے۔ قبل از ٹیکس منافع 223.57 ملین روپے رہا جب کہ پچھلے سال کی اسی مدت میں قبل از ٹیکس منافع 318.73 ملین تھا۔ بعد از ٹیکس منافع 145.09 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت میں 285.70 ملین روپے تھا۔

30 جون 2020 کو ختم ہونے والے نصف سال کی اسی مدت میں تین ماہ کی (کوویڈ سے پہلے کی) مدت شامل تھی، اس لیے موجودہ نصف سال کے ساتھ اس کا موازنہ موجودہ مدت میں فروخت اور منافع میں کمی کے رجحان کو ظاہر کر رہا ہے۔ مزید برآں، مجموعی طور پر جوتے برآمد کرنے کا کاروبار بھی زیر جائزہ مدت کے دوران دباؤ کا شکار رہا۔

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