



Service Industries Limited

Service House, 2-Main Gulberg
Lahore - 54662 (Pakistan)
Phone: (42) 35751990-96
Fax: (42) 35711827

SIL/PSX/CS/147
February 27, 2024

The General Manager
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

SUBJECT: FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023

Dear Sir,

We have to inform you that the Board of Directors of Service Industries Limited (the "Company") in their meeting held on **February 27, 2024 at 10:00 a.m.**, at the registered office of the Company, has approved the separate and consolidated audited financial statements of the Company for the year ended December 31, 2023 and recommended the following:

CASH DIVIDEND

A Final Cash Dividend for the year ended December 31, 2023 at **Rs. 10 per share i.e., 100%**.


FINANCIAL RESULTS:

The financial results of the Company are enclosed herewith as Annexure-A.

PRICE SENSITIVE INFORMATION:

The Board of Directors has approved:

1. The Scheme of Compromises, Arrangement and Reconstruction pursuant to the applicable provisions of the Companies Act, 2017 (the "**Scheme**") pertaining to the restructuring of the Company, subject to approval of the shareholders and requisite permissions / approvals and sanction of the Scheme by the Honorable Lahore High Court, Lahore and subject to fulfillment of all requisite legal requirements.
2. In terms of the Scheme, *inter alia*,
 - (a) the Tyre Undertaking inclusive of all assets, rights, liabilities, entitlements and obligations pertaining thereto (including 128,150,000 shares of Service Long March Tyres (Private) Limited) shall be demerged from Service Industries Limited and simultaneously transferred to, vested and amalgamated with and into Service Tyres (Private) Limited, a wholly owned subsidiary of Service Industries Limited;






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- (b) the Retail Undertaking inclusive of all assets, rights, liabilities, entitlements and obligations pertaining thereto shall be demerged from Service Industries Limited and simultaneously transferred to, vested and amalgamated with and into Service Retail (Private) Limited, a wholly owned subsidiary of Service Industries Limited; and
- (c) the transfer and vesting of 160,709 shares of Speed (Private) Limited (the "SPL Shares") held by Service Industries Limited to Service Industries Capital (Private) Limited, a wholly owned subsidiary of Service Industries Limited.
3. Service Industries Limited will continue to own and operate remaining businesses comprising footwear unit and investments after demerger of Tyre Undertaking, Retail Undertaking and SPL Shares from Service Industries Limited.
 4. A joint petition with regard to the proposed Scheme will be filed with the Honorable Lahore High Court, Lahore in due course. Effective Date of the Scheme is 01 January, 2024. The Scheme will also be circulated to your Stock Exchange and the shareholders subject to directions / order of the Honorable Lahore High Court, Lahore.

The Board of Directors have also approved the following investments subject to completion of all requisite legal formalities:

1. The issuance of Cross Corporate Guarantee up to Rs. 4 billion in favor of financial institutions / lenders of Service Retail (Private) Limited, a wholly owned subsidiary, for a period of one year, if and when required by Service Retail (Private) Limited.
2. The issuance of Collateral security on behalf of wholly owned subsidiary, Service Retail (Private) Limited by offering present and future current assets of the Company up to a maximum value of Rs. 2 billion in favor of financial institutions / lenders of Service Retail (Private) Limited, as collateral against short term loans extended by the financial institutions / lenders to Service Retail (Private) Limited, for a period of one year, if and when required by Service Retail (Private) Limited.
3. To make investment of up to Rs. 2 billion in the form of working capital loan in Service Retail (Private) Limited, a wholly owned subsidiary, for a period of one year, if and when required by Service Retail (Private) Limited.
4. To make investment of up to Rs. 2 billion in the form of working capital loan in Service Tyres (Private) Limited, a wholly owned subsidiary, for a period of one year, if and when required by Service Tyres (Private) Limited.

ANNUAL GENERAL MEETING (AGM):

The Annual General Meeting of the Company will be held on **Friday, April 26, 2024 at 11:30 a.m.**, at Shalimar Tower Hotel, Adjacent Servis House, 2-Main Gulberg, Lahore.

BOOK CLOSURE FOR THE PURPOSE OF ENTITLEMENT OF FINAL CASH DIVIDEND AND AGM:

The Share Transfer Books of the Company for the purpose of Final Cash Dividend and AGM will remain closed from **April 20, 2024 to April 26, 2024 (both days inclusive)**. Transfers received at the share





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registrar office, M/s. Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on April 19, 2024 will be treated in time for the purpose of above entitlement of Cash Dividend and to attend and vote at the AGM.

The Annual Report of the Company for the year ended December 31, 2023 will be transmitted through PUCARS separately, within the specified time.

A disclosure form is attached herewith. You may please inform the members of your Exchange accordingly.

Thanking you.

Yours faithfully,

FOR SERVICE INDUSTRIES LIMITED

Waheed Ashraf
Company Secretary



Enclosed as above.

C.C:

Commissioner (CLD),
Securities & Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue, Blue Area,
63-Jinnah Avenue,
Islamabad.

Executive Director / HOD,
Offsite-II Department,
Supervision Division,
Securities & Exchange Commission of Pakistan,



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Annexure - A

SERVICE INDUSTRIES LIMITED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Rupees in thousand.....	
REVENUE - net	55,744,034	42,599,481
COST OF SALES	(42,053,764)	(34,626,020)
GROSS PROFIT	13,690,270	7,973,461
DISTRIBUTION COST	(4,643,023)	(3,218,564)
ADMINISTRATIVE EXPENSES	(2,091,125)	(1,505,313)
OTHER EXPENSES	(263,574)	(300,384)
	(6,997,722)	(5,024,261)
	6,692,548	2,949,200
OTHER INCOME	622,573	1,073,620
PROFIT FROM OPERATIONS	7,315,121	4,022,820
FINANCE COST	(5,020,990)	(3,075,387)
	2,294,131	947,433
SHARE OF PROFIT FROM EQUITY ACCOUNTED INVESTEE - NET OF TAXATION	63,752	28,588
PROFIT BEFORE TAXATION	2,357,883	976,021
TAXATION	(1,015,747)	(621,594)
PROFIT AFTER TAXATION	1,342,136	354,427
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)	28.56	7.54






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SERVICE INDUSTRIES LIMITED AND ITS SUBSIDIARY COMPANIES CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	-----Rupees in thousand-----	
CONTINUING OPERATIONS		
REVENUE - net	96,520,660	61,668,669
COST OF SALES	<u>(74,670,420)</u>	<u>(51,406,625)</u>
GROSS PROFIT	21,850,240	10,262,044
DISTRIBUTION COST	<u>(6,091,823)</u>	<u>(4,321,758)</u>
ADMINISTRATIVE EXPENSES	<u>(3,215,775)</u>	<u>(2,387,286)</u>
OTHER EXPENSES	<u>(670,189)</u>	<u>(387,385)</u>
	<u>(9,977,787)</u>	<u>(7,096,429)</u>
	11,872,453	3,165,615
OTHER INCOME	1,311,423	831,105
PROFIT FROM OPERATIONS	<u>13,183,876</u>	<u>3,996,720</u>
FINANCE COST	<u>(7,546,647)</u>	<u>(4,013,679)</u>
	5,637,229	(16,959)
SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES - NET OF TAXATION	<u>104,697</u>	<u>7,580</u>
PROFIT / (LOSS) BEFORE TAXATION	<u>5,741,926</u>	<u>(9,379)</u>
TAXATION	<u>(1,403,563)</u>	<u>(1,157,143)</u>
PROFIT / (LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS	<u>4,338,363</u>	<u>(1,166,522)</u>
DISCONTINUED OPERATIONS		
LOSS AFTER TAXATION FOR THE YEAR FROM DISCONTINUED OPERATIONS	<u>(25,979)</u>	<u>(58,296)</u>
PROFIT / (LOSS) AFTER TAXATION	<u>4,312,384</u>	<u>(1,224,818)</u>
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	2,841,802	(637,131)
NON-CONTROLLING INTEREST	1,470,582	(587,687)
	<u>4,312,384</u>	<u>(1,224,818)</u>
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	<u>60.48</u>	<u>(13.56)</u>
EARNINGS / (LOSS) PER SHARE FROM CONTINUING OPERATIONS - BASIC AND DILUTED (RUPEES)	<u>60.81</u>	<u>(12.82)</u>





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SERVICE INDUSTRIES LIMITED DISCLOSURE FORM (Securities Act, 2015)

February 27, 2024

Name of the Company	Service Industries Limited
Date of Report (Date of earliest event reported if applicable)	December 14, 2023
Exact Name of the Company as specified in its Memorandum	Service Industries Limited
Registered address of the Company	Servis House, 2-Main Gulberg, Lahore.
Contact Information	Mr. Waheed Ashraf Company Secretary Tel: +92 42 35751990-96 Fax: +9242 35711827
Disclosure of Inside Information in terms of the Securities Act, 2015, Rule Book of Pakistan Stock Exchange Limited	<p>The Board of Directors has approved:</p> <ol style="list-style-type: none">1. The Scheme of Compromises, Arrangement and Reconstruction pursuant to the applicable provisions of the Companies Act, 2017 (the "Scheme") pertaining to the restructuring of the Company, subject to approval of the shareholders and requisite permissions / approvals and sanction of the Scheme by the Honorable Lahore High Court, Lahore and subject to fulfillment of all requisite legal requirements.2. In terms of the Scheme, <i>inter alia</i>, (a) the Tyre Undertaking inclusive of all assets, rights, liabilities, entitlements and obligations pertaining thereto (including 128,150,000 shares of Service Long March Tyres (Private) Limited) shall be demerged from Service Industries Limited and simultaneously transferred to, vested and amalgamated with and into Service Tyres (Private) Limited, a wholly owned subsidiary of Service Industries Limited;





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Waheed Ashraf
Company Secretary

