



GROWING AS ONE

Reports & Un-Audited Accounts
for the 1st Quarter Ended
March 31, 2025

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Company Information

Board of Directors

Ms. Uzma Adil Khan

(Chairperson / Independent Director)

Mr. Arif Saeed

(Chief Executive Officer)

Executive Director

Mr. Omar Saeed

Executive Director

Mr. Hassan Javed

Non-Executive Director

Mr. Adil Matcheswala

Non-Executive Director

Mr. Ahsan Bashir

Non-Executive Director

Mr. Saif Javed

Non-Executive Director

Mr. Muhammad Naeem Khan

Independent Director

Mr. Shahid Hussain Jatoi

Independent Director

Chief Financial Officer

Mr. Badar Ul Hassan

Company Secretary

Mr. Waheed Ashraf

Audit Committee

Mr. Muhammad Naeem Khan

(Chairman)

Independent Director

Mr. Adil Matcheswala

(Member)

Non-Executive Director

Mr. Saif Javed

(Member)

Non-Executive Director

Human Resource and

Remuneration Committee

Ms. Uzma Adil Khan

(Chairperson)

Independent Director

Mr. Arif Saeed

(Member)

Executive Director

Mr. Ahsan Bashir

(Member)

Non-Executive Director

Bankers

Allied Bank Limited

Askari Bank Limited

Bank Al Habib Limited

Bank Alfalah Limited

Faysal Bank limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Industrial and Commercial Bank

of China Limited



MCB Bank Limited
 MCB Islamic Bank Limited
 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
 Bank Islami Pakistan Limited
 Dubai Islamic Bank Limited
 United Bank Limited
 SME Bank Limited
 Pak Kuwait Investment Company Limited
 JS Bank Limited

Auditors

M/s. Riaz Ahmad & Company,
 Chartered Accountants
 10-B, Saint Mary Park, Main
 Boulevard, Gulberg III, Lahore.

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.

Stock Symbol

SRVI

Manufacturing Facility

G.T. Road, Gujrat.

Web Presence

www.servisgroup.com



Directors' Review Report

The Directors of Service Industries Limited ("SIL" or the "Company") are pleased to present their review report alongside the unconsolidated condensed interim financial statements for the quarter ended March 31, 2025.

Financial Performance

The following table summarizes the key financial highlights for the quarter ended March 31, 2025, compared to the corresponding period last year:

Particulars	Quarter Ended		
	March 31, 2025 (Rupees in thousand)	March 31, 2024 (Rupees in thousand)	Increase / (Decrease) %
Net Sales	2,454,504	1,290,220	90%
Gross Profit	190,192	227,136	(16%)
Operating Profit	431,866	606,909	(29%)
Profit Before Levy and Tax	55,574	208,132	(73%)
Net Profit After Tax	64,875	392,017	(83%)
Earning Per Share - Rs.	1.38	8.34	(83%)

The company reported a net profit before levy and tax of Rs. 56 million for the quarter, compared to Rs. 208 million in the same period last year. This decline is primarily attributable to lower dividend income from associated companies relative to the same period last year.

Following the corporate restructuring in financial year 2024, Company now operates mainly as an investment holding company. The Company maintains a strategically diversified portfolio across multiple sectors through its subsidiaries. Its operations include the manufacturing of tyres, tubes and footwear. Additionally, the Group is engaged in trading and operates a nationwide retail network for footwear and activewear under its flagship brand, 'SERVIS'. The financial performance of the Company is inherently tied to the operational and financial results of its group companies. A Detailed breakdown of company's investments held by the Company in its subsidiaries have been presented in note 6 of the unconsolidated condensed interim financial statements of the Company annexed herewith.

In compliance with the requirements of International Financial Reporting Standards and applicable provisions of the Companies Act, 2017, the Company has annexed consolidated condensed interim financial statements alongside its separate condensed interim financial statements.

Dividend Income from Associated Companies

During the quarter under review, the Company received a dividend of Rs. 300 million from its wholly owned subsidiary company, Service Tyres (Private) Limited. Additionally, Service Global Footwear Limited has also declared a final cash dividend, which will further increase dividend income by Rs. 654 million, which will be reflected in next quarter.

Future Outlook

During the first quarter of the calendar year 2025, Pakistan's economy has demonstrated some resilience, supported by improved fiscal and external indicators. Easing inflation, driven by lower energy prices, along with a current account surplus, export growth, and steady remittance inflows, contribute to a stable macroeconomic environment. Investor confidence remains strong, as evidenced by the upward trajectory of the Pakistan Stock Exchange.

However, the global economic landscape is fraught with challenges, including heightened risks of a worldwide recession fueled by escalating trade tensions and tariff wars among major economies. The IMF has delivered its sharpest downgrade to US growth among advanced economies, slashing its 2025 forecast to 1.8% from 2.7% due to trade tariffs, policy uncertainty, and sluggish consumer spending, while warning of a 40% recession risk.

This persistent market volatility threatens to weaken international demand, potentially jeopardizing Pakistan's export-driven sectors. Should these conditions endure, the already strained purchasing power of Pakistan's consumer class may face further erosion, exacerbating domestic economic pressures. Further, a contraction in global market activity may follow, softening commodity prices across sectors. Domestic producers could face intensified pricing pressures.

Looking ahead to the remainder of 2025, management is confident in the company's growth prospects. Our commitment to financial discipline and operational optimization positions us to weather macroeconomic uncertainties while continuing our positive performance trajectory. Your company has a leading market share in most sectors it operates in, and is well-placed to deal with changing market conditions.

Acknowledgement

The Directors would like to express their deep gratitude to the shareholders who have consistently demonstrated their trust in the Company and also acknowledge the continuous efforts made by the employees towards achievement of corporate objectives. We also thank our customers, suppliers and bankers for their continued support. We look forward to delivering promising results throughout the year.

For and on behalf of the Board



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)

April 29, 2025
Lahore.

Unconsolidated Condensed Interim Financial Statements

The background of the slide features a blue-toned image of a hand holding a pen, poised to write on a document. The document contains various financial charts, including a bar chart at the top right, a line graph in the middle right, and a pie chart at the bottom left. A network of white dots connected by thin lines is overlaid on the entire image, creating a digital or analytical aesthetic. The text is in a clean, white, sans-serif font.

Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
100,000,000 (31 December 2024: 100,000,000) ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid-up share capital		
46,987,454 (31 December 2024: 46,987,454) ordinary shares of Rupees 10 each	469,874	469,874
Reserves	8,081,571	8,020,307
Total equity	8,551,445	8,490,181
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	6,961,648	4,414,865
Lease liabilities	61,323	59,144
Employees' retirement benefit	90,785	97,916
	7,113,756	4,571,925
CURRENT LIABILITIES		
Trade and other payables	1,988,810	1,761,242
Accrued mark-up	122,892	199,759
Short term borrowings	2,568,317	6,047,096
Current portion of non-current liabilities	1,473,377	1,280,813
Taxation and levy - net	-	38,916
Unclaimed dividend	47,509	47,509
	6,200,905	9,375,335
Total liabilities	13,314,661	13,947,260
Contingencies and commitments	4	
TOTAL EQUITY AND LIABILITIES	21,866,106	22,437,441

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



Arif Saeed
(Chief Executive)

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	1,265,879	1,253,493
Investment property		182	182
Right-of-use assets		62,290	67,389
Intangible assets		3,292	3,762
Deferred income tax asset - net		116,149	72,966
Long term investments	6	14,177,057	14,180,668
Long term loans to employees		22,802	12,061
Long term security deposits		5,893	11,124
		15,653,544	15,601,645
CURRENT ASSETS			
Stores, spares and loose tools		60,919	28,913
Stock in trade		1,987,161	1,679,031
Trade debts		1,275,549	1,820,704
Loans and advances		1,005,787	1,819,753
Taxation and levy - net		37,198	-
Trade deposits and prepayments		213,729	129,252
Other receivables		681,949	566,016
Short term investments		408,177	375,177
Cash and bank balances		542,093	416,950
		6,212,562	6,835,796
TOTAL ASSETS		21,866,106	22,437,441



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	Note	(Rupees in thousand)	
Revenue - net	7	2,454,504	1,290,220
Cost of sales	8	(2,264,312)	(1,063,084)
Gross profit		190,192	227,136
Distribution cost		(90,990)	(87,754)
Administrative expenses		(91,691)	(106,722)
Other expenses		(8,556)	(7,892)
		(191,237)	(202,368)
		(1,045)	24,768
Other income		432,911	582,141
Profit from operations		431,866	606,909
Finance cost		(376,292)	(398,777)
Profit before Levy and Taxation		55,574	208,132
Levy		-	-
Profit before taxation		55,574	208,132
Taxation		9,301	183,885
Profit after taxation		64,875	392,017
Earnings per share - basic and diluted (Rupees)		1.38	8.34

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the quarter ended March 31, 2025

	(Un-audited) March 31, 2025 (Rupees in thousand)	(Un-audited) March 31, 2024
Profit after taxation	64,875	392,017
Other comprehensive loss		
Items that will not be reclassified to profit or loss:		
Deficit arising on remeasurement of investment at fair value through other comprehensive income - net of tax	(3,611)	(7,642)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive loss for the period - net of tax	(3,611)	(7,642)
Total comprehensive income for the period	61,264	384,375

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the quarter ended March 31, 2025

Share capital	Reserves										Total equity	
	Capital reserves						Revenue reserves					Total
	Capital gains	Fair value reserve FVTOCI investment	Share premium	Share of share premium reserve held by equity accounted investee	Reserve pursuant to the scheme	Sub total	General reserve	Un-appropriated profit	Sub total			

Rupees in thousand

Balance as at 31 December 2023 - audited	469,874	102,730	34,247	21,217	23,935	927,163	1,109,292	1,558,208	5,180,805	6,739,013	7,848,305	8,318,179
Credited to reserve on transfer of negative net assets to Service Retail (Private) Limited - Subsidiary Company pursuant to the Scheme	-	-	-	-	-	-	-	-	322,992	322,992	322,992	322,992
Profit for the quarter ended 31 March 2024	-	-	-	-	-	-	-	-	392,017	392,017	392,017	392,017
Other comprehensive loss for the quarter ended 31 March 2024	-	-	(7,642)	-	-	-	(7,642)	-	-	-	(7,642)	(7,642)
Total comprehensive income for the quarter ended 31 March 2024	-	-	(7,642)	-	-	-	(7,642)	-	392,017	392,017	384,375	384,375
Balance as at 31 March 2024 - un-audited	469,874	102,730	26,605	21,217	23,935	927,163	1,101,650	1,558,208	5,895,814	7,454,022	8,555,672	9,025,546
Balance as at 31 December 2024 - audited	469,874	102,730	29,202	21,217	-	927,163	1,080,312	1,558,208	5,381,787	6,939,995	8,020,307	8,490,181
Profit for the quarter ended 31 March 2025	-	-	-	-	-	-	-	-	64,875	64,875	64,875	64,875
Other comprehensive loss for the quarter ended 31 March 2025	-	-	(3,611)	-	-	-	(3,611)	-	-	-	(3,611)	(3,611)
Total comprehensive income for the quarter ended 31 March 2025	-	-	(3,611)	-	-	-	(3,611)	-	64,875	64,875	61,264	61,264
Balance as at 31 March 2025 - un-audited	469,874	102,730	25,591	21,217	-	927,163	1,076,701	1,558,208	5,446,662	7,004,870	8,081,571	8,551,445

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	Note	(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	11	1,212,116	194,364
Finance cost paid		(449,617)	(590,370)
Income tax paid		(109,997)	(102,169)
WPPF paid		-	(27,125)
WWF - net		-	54,977
Staff retirement benefits paid		(12,019)	(13,834)
Long term loans - net		(10,741)	(7,897)
Long term security deposits - net		5,231	(2,863)
Net cash generated from / (used in) operating activities		634,974	(494,917)
Cash flows from investing activities			
Capital expenditure on fixed assets		(48,994)	(19,411)
Proceeds from disposal of fixed assets		5,297	5,618
Short term investment - net		(25,340)	704,080
Long term investment made		-	(344,568)
Dividend received		300,000	490,650
Net cash generated from investing activities		230,963	836,369
Cash flows from financing activities			
Long term financing - net		2,745,531	(941,238)
Short term borrowings - net		(3,478,779)	536,142
Repayment of lease liabilities		(7,546)	-
Net cash used in financing activities		(740,794)	(405,096)
Net decrease in cash and cash equivalents		125,143	(63,645)
Cash and cash equivalents at the beginning of the period		416,950	1,813,676
Cash transferred to subsidiary company pursuant to scheme		-	(1,700,710)
Cash and cash equivalents at the end of the period		542,093	49,321

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the quarter ended March 31, 2025

1. The Company and its Operations

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

1.1 Scheme of Arrangement

As more fully explained in Note 1.3 to the preceding annual audited financial statements of the Company for the year ended 31 December 2024, on 12 June 2024, the Honorable Lahore High Court, Lahore duly sanctioned the the Scheme of Arrangement (the "Scheme") under Sections 279 to 283 of the Companies Act, 2017 for the de-merger of Tyre Undertaking (inclusive of 128,150,000 shares of Service Long March Tyres (Private) Limited), Retail Undertaking and Speed (Private) Limited Shares (SPL Shares) from Service Industries Limited and transfer and vesting of Tyre Undertaking into Service Tyres (Private) Limited, transfer and vesting of Retail Undertaking into Service Retail (Private) Limited and transfer and vesting of SPL Shares into Service Industries Capital (Private) Limited. Effective Date of the Scheme was 01 January 2024. Hence, corresponding figures of unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and related notes thereto of the Company for the quarter ended 31 March 2024 have been revised to give effect to the Scheme.

2. Basis of Preparation

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

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

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

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2024.

3. Material Accounting Policy Information

The material accounting policy information and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are same as applied in the preparation

of the preceding audited annual published financial statements of the Company for the year ended 31 December 2024

3.1 Critical Accounting Estimates and Judgements

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

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 31 December 2024.

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 2024 except as follows:

- 4.1.1** Guarantees issued in ordinary course of business through banks are of Rupees 1,724.782 million (31 December 2024: Rupees 1,528.875 million).

4.2 Commitments

- 4.2.1** Contracts for capital expenditure are approximately of Rupees 3.710 million (31 December 2024: Rupees 134.309 million).

- 4.2.2** Letters of credit other than capital expenditure are of Rupees 2,883.920 million (31 December 2024: Rupees 3,633.754 million).

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

	(Un-audited) March 31, 2025 (Rupees in thousand)	(Audited) December 31, 2024
Note		
Not later than one year	389	760
Later than one year and not later than five years	-	-
	389	760

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

For the quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	(Rupees in thousand)	
5. Fixed Assets			
Operating fixed assets	5.1	1,243,655	1,198,417
Capital work-in-progress	5.2	22,224	55,076
		1,265,879	1,253,493
5.1 Operating fixed assets			
Opening net book value		1,198,417	11,149,760
Add: Cost of additions during the period / year	5.1.1	81,847	241,385
Transferred to subsidiary companies pursuant to the Scheme			
Service Tyres (Private) Limited - subsidiary company		-	(8,717,781)
Service Retail (Private) Limited - subsidiary company		-	(1,310,305)
Transferred to Investment Property		-	(182)
Less: Book value of disposals / write off during the period / year	5.1.2	(773)	(23,116)
Less: Depreciation charged during the period / year		(35,836)	(141,344)
Closing net book value		1,243,655	1,198,417
5.1.1 Cost of additions during the period / year			
Buildings on freehold land		-	48,234
Plant and machinery		47,718	7,836
Furniture, fixture and fittings		-	3,876
Vehicles		235	109,389
Service equipment		33,894	64,611
Leasehold improvements		-	7,439
		81,847	241,385

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
		(Rupees in thousand)	
5.1.2	Book value of disposals during the period / year	Note	
	Cost of disposals		
	Buildings on freehold land	295	-
	Plant and machinery	2,660	18,949
	Vehicles	125	15,834
	Service equipment	1,066	9,429
		4,146	44,212
	Less: Accumulated depreciation	(3,373)	(21,096)
	Book value of disposals during the period / year	773	23,116
5.2	Capital work-in-progress		
	Buildings on freehold land	4,251	-
	Plant and machinery	-	46,866
	Advances against capital expenditures	16,411	8,210
	Service equipment	1,562	-
		22,224	55,076
6.	Long Term Investments		
	Investments in subsidiary companies - at cost	6.1 14,125,899	14,125,899
	Investment in associate (with significant influence) - under equity method	6.2 -	-
	Investments in joint ventures	6.3 -	-
	Other investment - at FVTOCI	6.4 51,158	54,769
		14,177,057	14,180,668

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

For the quarter ended March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	(Rupees in thousand)	
6.1 Investments in subsidiary companies - at cost		
Service Industries Capital (Private) Limited - unquoted 74,082,700 (31 December 2024: 74,082,700) fully paid ordinary shares of Rupees 10 each Equity held 100% (31 December 2024: 100%)	740,827	740,827
Service Global Footwear Limited - quoted 163,550,000 (31 December 2024: 163,550,000) fully paid ordinary shares of Rupees 10 each Equity held 79.37% (31 December 2024: 79.37%)	3,026,184	3,026,184
Service Long March Tyres (Private) Limited - unquoted 316,539,659 (31 December 2024: 316,539,659) fully paid ordinary shares of Rupees 10 each Equity held 22.09% (31 December 2024: 22.09%)	3,179,430	3,179,430
SIL GULF FZE - unquoted 1 (31 December 2024: 1) fully paid share of UAE Dirhams 150,000 Equity held 100% (31 December 2024: 100%)	7,215	7,215
Service Tyres (Private) Limited - unquoted 666,724,300 (31 December 2024: 666,724,300) fully paid share of Rupees 10 each Equity held 100% (31 December 2024: 100%)	6,667,243	6,667,243
Service Retail (Private) Limited - unquoted 50,500,000 (31 December 2024: 50,500,000) fully paid share of Rupees 10 each Equity held 100% (31 December 2024: 100%)	505,000	505,000
	14,125,899	14,125,899

(Un-audited)	(Audited)
March	December
31, 2025	31, 2024
(Rupees in thousand)	

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

Speed (Private) Limited - unquoted	-	-
Nil (31 December 2024: Nil) fully paid ordinary shares of Rupees 100 each		
Equity held Nil (31 December 2024: Nil)		
Share of post acquisition reserves		
As at the beginning of the period / year	-	216,962
Transferred to Service Industries Capital (Private)		
Limited - Subsidiary Company pursuant to the Scheme	-	(216,962)
	-	-
	-	-

6.3 Investments in joint ventures

S2 Power Limited - unquoted	240	240
24,000 (31 December 2024: 24,000) fully paid ordinary shares of Rupees 10 each		
S2 Hydro Limited - unquoted	240	240
24,000 (31 December 2024: 24,000) fully paid ordinary shares of Rupees 10 each		
	480	480
Less : Impairment loss recognized	(480)	(480)
	-	-

6.4 Other investment - at FVTOCI

TRG Pakistan Limited - quoted		
775,000 (31 December 2024: 775,000) fully paid ordinary shares of Rupees 10 each	17,089	17,089
Fair value adjustment	34,069	37,680
	51,158	54,769

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

For the quarter ended March 31, 2025

		(Un-audited)	
		March	March
		31, 2025	31, 2024
		(Rupees in thousand)	
7.	Revenue - Net		
	Sales of footwear - net		
	Export sales	1,494	442,944
	Local sales	1,215,147	784,696
	Processing income	-	17,290
		1,216,641	1,244,930
	Sales of tyres - net		
	Local sales	1,227,579	-
	Sales of technical rubber products - net		
	Local sales	7,222	45,290
	Commission Income	3,062	-
		2,454,504	1,290,220

		(Un-audited)	
		March	March
		31, 2025	31, 2024
		(Rupees in thousand)	
	Note		
8.	Cost of sales		
Raw materials consumed	8.1	633,645	551,975
Salaries, wages and other benefits		254,076	226,179
Stores and spares consumed		11,728	29,384
Packing materials consumed		51,538	55,016
Fuel and power		39,028	38,044
Insurance		6,012	3,006
Travelling and conveyance		4,177	2,972
Repair and maintenance		10,273	11,949
Entertainment		340	369
Depreciation		19,299	18,038
(Reversal) / provision for slow moving and obsolete inventory		4,724	1,500
Other manufacturing charges		2,980	1,833
		1,037,820	940,265
Work-in-process:			
Opening stock		269,280	400,386
Transferred to Service Tyres (Private) Limited - Subsidiary Company pursuant to the Scheme		-	(76,835)
Less: Closing stock		(268,216)	(506,865)
		1,064	(183,314)
Cost of goods manufactured		1,038,884	756,952
Finished goods:			
Opening stock		842,669	6,357,627
Transferred to Service Tyres (Private) Limited - Subsidiary Company pursuant to the Scheme		-	(2,180,313)
Transferred to Service Retail (Private) Limited - Subsidiary Company pursuant to the Scheme		-	(3,029,171)
Purchases during the period		1,353,141	235,659
Less: Closing stock		(970,382)	(1,077,670)
Movement in finished goods		1,225,428	306,132
		2,264,312	1,063,084

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

For the quarter ended March 31, 2025

		(Un-audited)	
		March	March
		31, 2025	31, 2024
		(Rupees in thousand)	
	Note		
8.1	Raw materials consumed		
Opening stock		729,974	3,610,961
Transferred to Service Tyres (Private) Limited - Subsidiary Company pursuant to the Scheme		-	(2,701,109)
Add: Purchases during the period		815,892	527,851
Less: Closing stock		(912,221)	(885,728)
		633,645	551,975

9. Segment Information

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

Footwear:

During the course of implementation of the Scheme (Note 1.1), in order to facilitate tyre customers and as a practical expedient, the Company made some local sales under the tyre segment by procuring (not manufacturing) those goods during the quarter ended 31 March 2025. Previously, till the Effective Date of the Scheme i.e. till 31 December 2023, this segment represented the Tyre Undertaking [vested in Service Tyres (Private) Limited wef 01 January 2024].

Others:

	Footwear		Tyre		Others		Total - Company	
	Un-audited		Un-audited		Un-audited		Un-audited	
	Quarter Ended	March 31, 2024	Quarter Ended	March 31, 2024	Quarter Ended	March 31, 2024	Quarter Ended	March 31, 2024
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024

(Rupees in thousand)

Sales								
External:								
- Export	1,494	442,944	-	-	-	-	1,494	442,944
- Local	1,215,147	784,696	1,227,579	-	7,222	45,290	2,449,948	829,986
- Processing income	-	17,290	-	-	-	-	-	17,290
- Commission income	-	-	3,062	-	-	-	3,062	-
Cost of sales	1,216,641	1,244,930	1,230,641	-	7,222	45,290	2,454,504	1,290,220
	(1,021,158)	(1,024,900)	(1,227,579)	-	(15,575)	(38,184)	(2,264,312)	(1,063,084)
Gross profit / (loss)	195,483	220,030	3,062	-	(8,353)	7,106	190,192	227,136
Distribution cost	(85,307)	(86,406)	-	-	(5,683)	(1,348)	(90,990)	(87,754)
Administrative expenses	(91,676)	(104,325)	-	-	(15)	(2,397)	(91,691)	(106,722)
	(176,983)	(190,732)	-	-	(5,698)	(3,744)	(182,681)	(194,476)
Profit / (Loss) before taxation and levy and unallocated income and expenses	18,500	29,298	3,062	-	(14,051)	3,362	7,511	32,660
Unallocated income and expenses :								
Other expenses							(8,556)	(7,892)
Other income							432,911	582,141
Finance cost							(376,292)	(398,777)
Levy							-	-
Taxation							9,301	183,885
Profit after taxation							64,875	392,017

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

For the quarter ended March 31, 2025

9.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Others		Total - Company	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
(Rupees in thousand)								
Total assets for reportable segment	6,334,296	6,764,822	-	-	363,993	696,062	6,698,289	7,460,884
Unallocated assets:								
Intangible assets							3,292	3,762
Long term investments							14,177,057	14,180,668
Taxation and levy - net							37,198	-
Short term investments							408,177	375,177
Cash and bank balances							542,093	416,950
Total assets as per statement of financial position							21,866,106	22,437,441
Total liabilities for reportable segment	1,492,017	1,016,427	-	-	712,043	1,010,117	2,204,060	2,026,544
Unallocated liabilities:								
Long term financing - secured							8,419,392	5,673,861
Accrued mark-up							122,892	199,759
Short term borrowings							2,568,317	6,047,096
Total liabilities as per statement of financial position							13,314,661	13,947,260

9.1.1 All non-current assets except investment in SIL GULF (FZE) of the Company as at reporting dates are located and operating in Pakistan.

10. Recognized fair value measurements - financial instruments

(i) Fair value hierarchy

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

Recurring fair value measurements at March 31, 2025 - Unaudited	Level 1	Level 2	Level 3	Total
Rupees in thousand				
Financial assets				
Financial assets at fair value through other comprehensive income	51,158	-	-	51,158
Recurring fair value measurements at December 31, 2024 - Audited	Level 1	Level 2	Level 3	Total
Rupees in thousand				
Financial assets				
Financial assets at fair value through other comprehensive income	54,769	-	-	54,769

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

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

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

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

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

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

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

For the quarter ended March 31, 2025

(ii) Valuation techniques used to determine level 1 fair values

Specific valuation technique used to value financial instruments was use of quoted market prices on Pakistan Stock Exchange.

		(Un-audited)	
		March 31, 2025	March 31, 2024
		(Rupees in thousand)	
	Note		
11. Cash generated from operations			
Profit before levy and taxation		55,574	208,132
Adjustments for non-cash charges and other items:			
Depreciation and amortisation		41,404	24,945
Provision for gratuity		4,888	2,844
Finance cost		376,292	398,777
Provision for workers' profit participation fund		-	5,684
Reversal for workers' welfare fund		-	(13,417)
Provision of for slow moving and obsolete inventory		4,724	1,500
Allowance for expected credit losses		3,200	-
(Gain) / Loss on disposal of fixed assets		(4,524)	125
Dividend income		(300,000)	(490,650)
Return on short term investment		(7,660)	(564)
Working capital changes	11.1	1,038,218	56,988
		1,212,116	194,364
11.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(32,006)	13,264
Stock in trade		(312,854)	(76,098)
Trade debts		541,955	(38,491)
Loans and advances		813,966	(59,540)
Prepayments		(84,477)	(32,321)
Other receivables		(115,933)	(69,062)
Increase in current liabilities:			
Trade and other payables		227,567	319,236
		1,038,218	56,988

12. Transactions with related parties

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

(i) Transactions:

	(Un-audited) Quarter Ended	
	March 31, 2025	March 31, 2024
	(Rupees in thousand)	
Subsidiary Companies		
Interest expense	89,867	23,731
Interest income	39,305	-
Sale of goods	1,541,247	244,360
Purchase of goods	25,136	173,170
Loan repaid	14,708,042	900,000
Loan obtained	11,715,624	-
Dividend received	300,000	490,650
Expenses charged	326,735	319,071
Rental income	64,617	60,000
Services rendered	9,000	26,290
Purchase of fixed assets	-	97
Sale of fixed asset	-	108
Commission income	3,062	-
Investment made	-	344,563
Associated Companies		
Donations	3,780	-
Key management personnel - Directors & their spouses		
Remuneration	45,347	30,052
Meeting fee to directors - non executive	480	278
Other related parties		
Employees' retirement benefits	17,641	14,335

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

For the quarter ended March 31, 2025

(ii) Period end balances

As at 31 March 2025 (Un-audited)			
	Subsidiary companies	Other related parties	Total
(Rupees in thousand)			
Employees' retirement benefit	-	107,709	107,709
Loans and advances	834,357	-	834,357
Other receivables	1,594	-	1,594
Trade and other payables	1,220	-	1,220
Short term loan payable	30,526	-	30,526

As at 31 December 2024 (Audited)			
	Subsidiary companies	Other related parties	Total
(Rupees in thousand)			
Employees' retirement benefit	-	112,551	112,551
Trade debts	4,696	-	4,696
Loans and advances	1,692,442	-	1,692,442
Other receivables	1,594	-	1,594
Trade and other payables	10,379	-	10,379
Short term loan payable	3,941,029	-	3,941,029

13. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2024.

14. Date of authorization for issue

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 29, 2025.

15. Corresponding figures

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

As more fully explained in Note 1.3 to the preceding annual audited financial statements of the Company for the year ended 31 December 2024, on 12 June 2024, the Honorable Lahore High Court, Lahore duly sanctioned the the Scheme of Arrangement (the "Scheme") under Sections 279 to 283 of the Companies Act, 2017 for the de-merger of Tyre Undertaking (inclusive of 128,150,000 shares of Service Long March Tyres (Private) Limited), Retail Undertaking and Speed (Private) Limited Shares (SPL Shares) from Service Industries Limited and transfer and vesting of Tyre Undertaking into Service Tyres (Private) Limited, transfer and vesting of Retail Undertaking into Service Retail (Private) Limited and transfer and vesting of SPL Shares into Service Industries Capital (Private) Limited. Effective Date of the Scheme was 01 January 2024. Hence, corresponding figures of unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and related notes thereto of the Company for the quarter ended 31 March 2024 have been revised to give effect to the Scheme.

16. General

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

Consolidated Condensed Interim Financial Statements

The background of the slide features a blue-toned image of a hand holding a pen, poised to write on a document. The document contains various financial charts, including a bar chart at the top right, a line graph in the middle right, and a pie chart with a bar chart below it in the lower center. A network of white lines and dots is overlaid on the entire image, creating a digital or interconnected feel. The text is in a clean, white, sans-serif font.

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
100,000,000 (31 December 2024: 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	15,583,850	14,294,885
Non-controlling interest	11,737,437	11,252,743
Total equity	27,791,161	26,017,502
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	18,337,121	13,557,096
Long term deposits	180,030	172,530
Lease liabilities	5,511,533	5,685,580
Employees' retirement benefit	592,498	572,095
Deferred liabilities	3,726,536	3,353,139
	28,347,718	23,340,440
CURRENT LIABILITIES		
Trade and other payables	13,390,352	13,526,978
Accrued mark-up	672,890	803,245
Short term borrowings	36,330,861	41,394,565
Current portion of non-current liabilities	4,691,307	4,558,606
Unclaimed dividend	53,087	53,087
	55,138,497	60,336,481
Liabilities directly associated with the assets held for sale	919,192	924,147
Total liabilities	84,405,407	84,601,068
Contingencies and commitments	5	
TOTAL EQUITY AND LIABILITIES	112,196,568	110,618,570

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



Arif Saeed
(Chief Executive)

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	6	46,093,815	42,434,370
Right-of-use assets		4,596,176	4,874,794
Intangible assets		3,974	4,547
Long term investments	7	737,071	736,223
Long term loans to employees		57,465	46,902
Long term security deposits		257,130	260,191
		51,745,630	48,357,027
CURRENT ASSETS			
Stores, spares and loose tools		1,362,918	1,212,154
Stock-in-trade		26,115,684	24,523,680
Trade debts		16,620,836	14,071,494
Loans and advances		3,247,865	2,092,751
Trade deposits and prepayments		545,811	403,707
Other receivables		5,836,946	3,176,562
Taxation and levy - net		348,539	359,749
Accrued interest		49,063	65,550
Short term investments		808,036	8,083,600
Cash and bank balances		5,201,717	7,957,080
		60,137,414	61,946,327
Assets held for sale		313,524	315,216
		60,450,938	62,261,543
TOTAL ASSETS		112,196,568	110,618,570



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the quarter ended March 31, 2025

		(Un-audited) Quarter Ended March 31, 2025	(Un-audited) March 31, 2024
	Note	(Rupees in thousand)	
Continuing operations			
Revenue - net	8	32,519,480	29,440,904
Cost of sales	9	(25,086,888)	(22,125,024)
Gross profit		7,432,592	7,315,880
Distribution cost		(2,462,066)	(1,956,058)
Administrative expenses		(1,081,567)	(836,093)
Other expenses		(215,205)	(284,903)
		(3,758,838)	(3,077,054)
		3,673,754	4,238,826
Other income		203,720	180,287
Profit from operations		3,877,474	4,419,113
Finance cost		(1,438,959)	(1,730,243)
		2,438,515	2,688,870
Share of profit in equity accounted investee - net of taxation		20,288	10,088
Profit before levy and taxation		2,458,803	2,698,958
Levy		(42,320)	(62,157)
Profit before taxation		2,416,483	2,636,801
Taxation		(728,446)	(396,142)
Profit after taxation from continuing operations		1,688,037	2,240,659
Discontinued operations			
Profit after taxation from discontinued operations		-	-
Profit after taxation		1,688,037	2,240,659
Share of profit attributable to:			
Equity holders of the holding company		1,249,810	1,211,195
Non-controlling interest		438,227	1,029,464
		1,688,037	2,240,659

Earnings per share - basic and diluted (Rupees)	26.60	25.78
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Earnings per share from continuing operations- basic and diluted (Rupees)	26.60	25.78
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The annexed notes form an integral part of these consolidated condensed interim financial statements.



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the quarter ended March 31, 2025

	(Un-audited) March 31, 2025 (Rupees in thousand)	(Un-audited) March 31, 2024
Profit after taxation	1,688,037	2,240,659
Other comprehensive income / (loss)		
Items that will not be reclassified to profit or loss:		
Deficit arising on remeasurement of investment at fair value through other comprehensive income - net of tax	(3,611)	(7,642)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign subsidiary	4,233	(37,409)
Other comprehensive income / (loss) for the period - net of tax	622	(45,051)
Total comprehensive income for the period	1,688,659	2,195,608
Share of total comprehensive income attributable to:		
Equity holders of the holding company	1,248,932	1,180,683
Non-controlling interest	439,727	1,014,925
	1,688,659	2,195,608

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



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the quarter ended March 31, 2025

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--(Rupees in thousand)--

Balance as at 31 December 2023 - audited

Non controlling interest on investment in subsidiary company

Profit for the quarter ended 31 March 2024

Other comprehensive loss for the quarter ended 31 March 2024

Total comprehensive income for the quarter ended 31 March 2024

Balance as at 31 March 2024 - un-audited

Balance as at 31 December 2024 - audited

Recognition of share options reserves

Profit for the quarter ended 31 March 2025

Other comprehensive income for the quarter ended 31 March 2025

Total comprehensive income for the quarter ended 31 March 2025

Balance as at 31 March 2025 - un-audited

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

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Arif Saeed
(Chief Executive)

Omar Saeed
(Director)

Badar Ul Hassan
(Chief Financial Officer)

11

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

For the quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	Note	(Rupees in thousand)	
Cash flow from operating activities			
Cash (used in) / generated from operations	10	(3,687,534)	3,741,766
Finance cost paid		(1,279,927)	(1,922,696)
Income tax paid		(429,891)	(329,294)
Employees' retirement benefits paid		(6,320)	(50,155)
Long term loans - net		14,827	(7,489)
Long term deposits - net		7,500	19,006
Net cash (used in) / generated from operating activities		(5,381,345)	1,451,138
Cash flows from investing activities			
Capital expenditure on operating fixed assets		(4,419,340)	(690,794)
Intangible asset acquired		-	(7,257)
Interest received		19,245	23,419
Proceeds from disposal of fixed assets		10,925	8,825
Investments - net		7,327,117	716,331
Net cash generated from investing activities		2,937,946	50,524
Cash flows from financing activities			
Long term financing - net		4,962,099	(2,103,044)
Short term borrowings - net		(5,063,704)	(1,499,521)
Repayment of lease liabilities		(412,088)	(454,794)
Share capital issued to non-controlling interest		-	742,128
Long term deposit made		197,478	(9,642)
Dividend net		-	383
Net cash used in financing activities		(316,215)	(3,324,490)
Effects of exchange rate changes on cash and cash equivalents		4,233	(37,409)
Net decrease in cash and cash equivalents		(2,755,381)	(1,860,237)
Cash and cash equivalents at the beginning of the period		7,960,478	5,636,237
Cash and cash equivalents at the end of the period		5,205,097	3,776,000



Arif Saeed
(Chief Executive)



Omar Saeed
(Director)



Badar Ul Hassan
(Chief Financial Officer)

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

For the quarter ended March 31, 2025

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
- Dongguan Service Global Limited
- Service Tyres (Private) Limited
- Service Retail (Private) Limited
- SLM International Tyres Trading 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 Service Industries Limited are purchase, manufacture and sale of footwear 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 Service Global Footwear Limited 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 interests in Service Global Footwear Limited – Subsidiary Company is 20.63% (2024:20.63%).

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 Service Industries Capital (Private) Limited 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 interests held by non-controlling interest in Service Shoes Lanka (Private) Limited – Subsidiary Company is 40% (2024: 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 interests in Service Long March Tyres (Private) Limited – Subsidiary Company is 52.90% (2024: 52.90%).

SIL Gulf (FZE)

SIL GULF (FZE) is registered as a Free Zone Establishment with limited liability in Sharjah International Airport Free (SAIF) Zone with licence No. 22182 on 25 February 2021, under SAIF Zone. The registered office address of SIL GULF (FZE) is SAIF office Q1 – 05 - 081/A, Sharjah, United Arab Emirates. The principal activities of SIL GULF (FZE) are trading of the tyres and rims, car tyres and outfit, readymade garments, hand bags and leather products, tanned leather, textile and rubber, professional health and safety outfit and tools. It is wholly owned subsidiary of Service Industries Limited.

Dongguan Service Global Limited

Dongguan Service Global Limited is a limited liability company (wholly owned by foreign legal person) registered with Dongguan Administration of Market Regulations, China. Date of incorporation of Dongguan Service Global Limited is 18 December 2022. Business scope of Dongguan Service Global Limited is wholesale of shoes and hats, sales of leather products, sales of needle textiles and raw materials, wholesale of hardware products, sales of bags, sales of daily necessities, inspection of clothing and apparel, finishing services, technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion, import and export of goods, technology import and export (except for projects subject to approval according to law, independently carry out business activities according to law with a business license). Commercial address of Dongguan Service Global Limited is Room 302, No. 18, Houjie Town, Dongguan City, Guangdong Province, China. The registered capital of Dongguan Service Global Limited is USD 1,250,000 which is being subscribed by Service Global Footwear Limited. Service Global Footwear Limited wholly owns Dongguan Service Global Limited.

Service Tyres (Private) Limited

Service Tyres (Private) Limited was incorporated as a private limited company on 21 December 2023 in Pakistan under the Companies Act, 2017. Its registered office is situated at Servis House, 2 - Main Gulberg, Lahore. The principal line of business of Service Tyres (Private) Limited is to carry on the business of manufacturing, trading, sale, marketing, retail, wholesale, import and export of all types of tyres, tubes, spare parts and allied products for bicycles, motorcycles, scooters, rickshaws, automobiles, aircrafts, buses, trucks, cars, tractors, trolleys and other vehicles. It is wholly owned subsidiary of Service Industries Limited.

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

For the quarter ended March 31, 2025

Service Retail (Private) Limited

Service Retail (Private) Limited was incorporated as a private limited company on 21 December 2023 in Pakistan under the Companies Act, 2017. Its registered office is situated at Servis House, 2 - Main Gulberg, Lahore. The principal line of business of Service Retail (Private) Limited is to carry on the business of manufacturing, sale, trading, retail, wholesale, marketing, import and export of footwear, bags, apparel, accessories and other items / products. It is wholly owned subsidiary of Service Industries Limited.

SLM International Tyres Trading FZE

SLM International Tyres Trading FZE, a wholly owned subsidiary of Service Long March Tyres (Private) Limited, is incorporated on June 27, 2024 in United Arab Emirates under the applicable corporate regulatory requirements of the jurisdiction. The principal object of the Company is to engage in trading of Tyres & Rims and Auto Spare Parts & Components. The commercial address of the Company is FZJOA1001 Jebel Ali Freezone, Dubai, United Arab Emirates.

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 interests 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 interests are presented as separate item in the condensed consolidated interim financial statements.

b) Associate

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

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

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further

losses, unless it has incurred obligations or made payments on behalf of the other entity.

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

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

c) Translations of the financial statements of foreign subsidiary

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

3. Basis of preparation

a) 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 consolidated condensed interim financial statements 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 2024.

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

4. Accounting policies

The accounting policies and methods of computations 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 Group for the year ended December 31, 2024.

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

For the quarter ended March 31, 2025

4.1 Critical accounting estimates and judgements

The preparation of these condensed consolidated interim financial information 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 Group'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 consolidated interim financial information, the significant judgments made by the management in applying the Group'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 Group for the year ended December 31, 2024.

5. Contingencies and Commitments

5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published consolidated financial statements of the Company for the year ended 31 December 2024 except for the following:

- 5.1.1 The Deputy Commissioner Inland Revenue (DCIR) passed an order dated 30 August 2024, under section 161 of the Income Tax Ordinance, 2001 for tax year 2021, whereby a demand of Rupees 168.699 million was raised, against which Service Global Footwear Limited - Subsidiary Company filed a rectification application u/s 221 of the Income Tax Ordinance, 2001. The Commissioner Inland Revenue (CIR) vide its order Under Section 122A dated 22 Mar 2025 has deleted the entire demand and issued instructions to DCIR for fresh proceedings.
- 5.1.2 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 618.824 million (31 December 2024 Rupees 546.689 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheques issued as security shall be encashable.
- 5.1.3 Guarantees issued in ordinary course of business through banks are of Rupees 4,371.088 million (31 December 2024: Rupees 3,270.435 million).

5.2 Commitments

- 5.2.1 Outstanding foreign currency forward contracts are of Rupees 3,576.160 million (31 December 2024: Rupees 2,422.185 million).
- 5.2.2 Contracts for capital expenditure are approximately of Rupees 340.514 million (31 December 2024: Rupees 2,383.094 million).
- 5.2.3 Letters of credit other than capital expenditure are of Rupees 6,145.290 million (31 December 2024: Rupees 5,906.252 million).

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

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	(Rupees in thousand)	
Not later than one year		3,999	8,142
Later than one year and not later than five years		-	-
		3,999	8,142

6. Fixed Assets

Operating fixed assets	6.1	39,933,398	40,160,220
Capital work-in-progress		6,160,417	2,274,150
		46,093,815	42,434,370

6.1 Operating fixed assets

Opening net book value		40,160,220	34,585,560
Add: Additions during the period / year	6.2	533,496	8,466,353
		40,693,716	43,051,913
Less: Disposals during the period / year (at book value)	6.2	(6,528)	(42,601)
		40,687,188	43,009,312
Currency retranslation		140	(515)
		40,687,328	43,008,797
Less: Depreciation charged during the period / year		(753,930)	(2,848,577)
		39,933,398	40,160,220

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

For the quarter ended March 31, 2025

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

	Additions		Disposals - NBV	
	Un-audited March 31, 2025	Audited December 31, 2024	Un-audited March 31, 2025	Audited December 31, 2024
	(Rupees in thousand)			
Building on freehold land	1,079	228,432	178	-
Building on leasehold land	-	247,820	-	-
Plant and machinery	297,552	5,593,144	1,034	2,101
Furniture, fixture and fittings	7,763	97,890	-	5
Vehicles	711	513,866	214	32,594
Service equipments	177,195	1,559,453	1,177	7,901
Leasehold improvements	49,196	225,748	3,925	-
	533,496	8,466,353	6,528	42,601

	Note	(Un-audited) March 31, 2025	(Audited) December 31, 2024
		(Rupees in thousand)	
7. Long Term Investments			
Investment in associate (with significant influence) - under equity method	7.1	685,913	681,454
Investment in joint ventures - at cost	7.2	-	-
Other investment - at FVTOCI	7.3	51,158	54,769
		737,071	736,223

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

Speed (Private) Limited	342,526	342,526
263,909 (31 December 2024: 263,909) fully paid ordinary shares of Rupees 100 each		

Share of post acquisition reserve:

As at the beginning of the year	338,928	304,757
Share of post acquisition profit for the period / year	20,294	70,142
Dividend received	(15,835)	(35,971)
	343,387	338,928
	685,913	681,454

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	(Rupees in thousand)	
7.2 Investment in joint ventures - at cost		
S2 Power Limited	240	240
24,000 (31 December 2024: 24,000) fully paid ordinary shares of Rupees 10 each		
S2 Hydro Limited	240	240
24,000 (31 December 2024: 24,000) fully paid ordinary shares of Rupees 10 each		
Impairment loss recognized against investments	(480)	(480)
	-	-
7.3 Other investment - at FVTOCI		
TRG Pakistan Limited	17,089	17,089
775,000 (31 December 2024: 775,000) fully paid ordinary shares of Rupees 10 each		
Fair value adjustment	34,069	37,680
	51,158	54,769

	(Un-audited) Quarter Ended March 31, 2025	March 31, 2024
	(Rupees in thousand)	
8. Revenue - net		
Sales of footwear - net		
Export sales	4,758,552	4,735,270
Local sales	5,192,147	3,752,353
	9,950,699	8,487,623
Sales of tyres - net		
Export sales	5,150,271	4,655,798
Local sales	16,514,914	15,462,862
	21,665,185	20,118,660
Sales of technical rubber products - net		
Local sales	7,222	45,290
Sales of spare parts for automobiles - net		
Export sales	5,680	-
Local sales	890,694	789,331
	896,374	789,331
	32,519,480	29,440,904

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

For the quarter ended March 31, 2025

		(Un-audited)	
		Quarter Ended	
		March	March
		31, 2025	31, 2024
		(Rupees in thousand)	
	Note		
9. Cost of sales			
Raw materials consumed	9.1	20,215,300	16,555,063
Salaries, wages and other benefits		2,188,803	1,787,157
Stores and spares consumed		311,756	223,312
Packing materials consumed		579,114	472,893
Fuel and power		1,225,884	1,207,252
Insurance		41,111	21,433
Travelling		41,632	28,010
Repair and maintenance		110,928	108,340
Entertainment		6,502	4,030
Depreciation		640,753	573,355
Provision for slow moving and obsolete inventory		23,317	(12,084)
Other manufacturing charges		498,322	406,142
		25,883,422	21,374,903
Work-in-process:			
Opening stock		1,696,606	1,795,905
Less: Closing stock		(2,362,822)	(2,624,980)
		(666,216)	(829,075)
Cost of goods manufactured		25,217,206	20,545,828
Finished goods:			
Movement in Finished Goods		(130,318)	1,579,196
		25,086,888	22,125,024
9.1 Raw materials consumed			
Opening stock		11,891,255	9,418,115
Add: Purchases during the period		18,540,546	14,140,532
Less: Closing stock		(10,216,501)	(7,003,584)
		20,215,300	16,555,063

		(Un-audited)	
		Quarter Ended	
		March	March
		31, 2025	31, 2024
		(Rupees in thousand)	
		Note	
10.	Cash generated from operations		
	Profit before taxation and levy		2,458,803 2,698,958
	Adjustments for non-cash charges and other items:		
	Depreciation and amortisation		976,083 831,975
	Provision for gratuity		26,723 32,543
	Finance cost		1,438,959 1,730,243
	Provision for workers' profit participation fund		114,169 64,029
	Interest on workers' profit participation fund		- 1,285
	Provision for workers' welfare fund		22,101 23,611
	Provision / (Reversal) for slow moving and obsolete inventory		23,317 (12,084)
	Allowance for expected credit losses		30,148 25,687
	Profit on saving accounts and term deposit receipts		(38,481) (12,821)
	Employee share option expense		85,000 -
	Gain on disposal of fixed assets		(4,397) (1,272)
	Share of profit in equity accounted investee		(20,288) (10,088)
	Working capital changes	10.1	(8,799,670) (1,630,300)
			(3,687,534) 3,741,766
10.1	Working capital changes		
	Increase/(decrease) in current assets:		
	Stores, spares and loose tools		(150,756) (575,815)
	Stock-in-trade		(1,615,175) 435,035
	Trade debts		(2,578,589) (348,006)
	Loans, advances, trade deposits, prepayments and other receivables		(4,177,344) (2,752,026)
			(8,521,864) (3,240,812)
	(Decrease) / Increase in trade and other payables		(277,806) 1,610,512
			(8,799,670) (1,630,300)

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

For the quarter ended March 31, 2025

11. Segment Information

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

Footwear:

Purchase, manufacturing and sale of different qualities of footwear.

Tyre:

Manufacturing of different qualities of tyres and tubes.

Others:

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

	Footwear		Tyre		Others		Total - Company	
	Un-audited		Un-audited		Un-audited		Un-audited	
	Quarter Ended	March 31, 2024	Quarter Ended	March 31, 2024	Quarter Ended	March 31, 2024	Quarter Ended	March 31, 2024
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
(Rupees in thousand)								
Sales								
- Export	4,758,552	4,735,270	5,150,271	4,655,798	5,680	-	9,914,503	9,391,068
- Local	5,192,147	3,752,353	16,514,914	15,462,862	897,916	834,621	22,604,977	20,049,836
Cost of sales	9,950,699	8,487,623	21,665,185	20,118,660	903,596	834,621	32,519,480	29,440,904
	(6,762,199)	(5,926,231)	(17,540,412)	(15,469,335)	(784,277)	(729,457)	(25,086,888)	(22,125,024)
Gross profit	3,188,500	2,561,392	4,124,773	4,649,325	119,319	105,164	7,432,592	7,315,880
Distribution cost	(1,645,107)	(1,280,497)	(776,039)	(642,745)	(40,920)	(32,817)	(2,462,066)	(1,956,058)
Administrative expenses	(516,664)	(478,170)	(541,097)	(328,939)	(23,806)	(28,984)	(1,081,567)	(836,093)
	(2,161,771)	(1,758,667)	(1,317,136)	(971,684)	(64,726)	(61,800)	(3,543,633)	(2,792,151)
Profit before levy and taxation and unallocated income and expenses	1,026,729	802,724	2,807,637	3,677,641	54,593	43,364	3,888,959	4,523,729
Unallocated income and expenses:								
Other expenses							(215,205)	(284,903)
Other income							203,720	180,287
Share of net profit of associate accounted for using the equity method							20,288	10,088
Finance cost							(1,438,959)	(1,730,243)
Levy							(42,320)	(62,157)
Taxation							(728,446)	(396,142)
Profit after taxation							1,688,037	2,240,659

11.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Others		Total - Company	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
(Rupees in thousand)								
Total assets for reportable segment	21,752,887	24,422,576	70,454,978	58,012,666	2,456,244	2,990,773	94,664,109	85,426,015
Unallocated assets:								
Long term investments							737,071	736,223
Intangible assets							3,974	4,547
Right-of-use assets							4,596,176	4,874,794
Taxation and levy - net							348,539	359,749
Other receivables							5,836,946	3,176,562
Short term investments							808,036	8,083,600
Cash and bank balances							5,201,717	7,957,080
Total assets as per consolidated statement of financial position							112,196,568	110,618,570
Total liabilities for reportable segment	12,492,637	12,950,293	6,835,962	6,218,865	1,896,532	2,371,227	21,225,131	21,540,385
Unallocated liabilities:								
Long term financing							22,449,989	16,992,346
Deferred liabilities							3,726,536	3,870,527
Accrued mark-up							672,890	803,245
Short term borrowings							36,330,861	41,394,565
Total liabilities as per consolidated statement of financial position							84,405,407	84,601,068

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

For the quarter ended March 31, 2025

12. 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 condensed consolidated interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at March 31, 2025	Level 1	Level 2	Level 3	Total
Rupees in thousand				

Financial assets

Financial assets at fair value through other

comprehensive income 51,158 - - 51,158

Financial assets at fair value through profit or loss 210,859 - - 210,859

Derivative financial assets - 72,063 - 72,063

Total financial assets 262,017 72,063 - 334,081

Recurring fair value measurements at December 31, 2024	Level 1	Level 2	Level 3	Total
Rupees in thousand				

Financial assets

Financial assets at fair value through other comprehensive

income income 54,769 - - 54,769

Financial assets at fair value through profit or loss 7,708,423 - - 7,708,423

Derivative financial assets - 167,213 - 167,213

Total financial assets 7,763,192 167,213 - 7,930,405

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

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

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

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

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

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

(ii) **Valuation techniques used to determine fair values**

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

13. Transactions with related parties

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

	(Un-audited)	
	March 31, 2025	March 31, 2024
	(Rupees in thousand)	
Associated companies		
Sale of goods	64,869	-
Purchase of goods	156,124	62,119
Donations made	33,684	21,191
Key management personnel - Directors		
Remuneration	45,347	30,052
Meeting fee to directors - non executive	480	278
Other related parties		
Employees' retirement benefits	170,896	129,907

(ii) **Period end balances**

	As at 31 March 2025 (Un-audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Employee benefit plans	-	880,885	880,885
Trade debts	9,516	-	9,516

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

For the quarter ended March 31, 2025

	As at 31 December 2024 (Audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Employee benefit plans	-	800,747	800,747
Trade debts	-	68,342	68,342

14. 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 consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the company's annual audited consolidated financial statements as at December 31, 2024.

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

15. Date of authorization for issue

These financial statements were authorized for issue on April 29, 2025 by the Board of Directors of the Company.

16. Corresponding figures

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

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

17. 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)

مستقبل کا آؤٹ لک

سال 2025 کے پہلے سہ ماہی میں، پاکستان کی معیشت نے قدرے مضبوطی کا مظاہرہ کیا، جو کہ بہتر مالیاتی اور بیرونی اشاریوں کی مدد سے ممکن ہوا۔ توانائی کی قیمتوں میں کمی کے باعث افراط زر میں کمی آئی، جس کے ساتھ ساتھ کرنٹ اکاؤنٹ سرپلس، برآمدات میں اضافہ اور منظم ترسیلات زر نے ایک منظم میکرو اکنامک ماحول فراہم کیا۔ سرمایہ کاروں کا اعتماد مضبوط رہا، جیسا کہ پاکستان اسٹاک ایکسچینج کا اوپر کی جانب بڑھتے ہوئے گراف سے ظاہر ہوتا ہے۔

تاہم، عالمی اقتصادی منظر نامہ مسائل سے بھرا ہوا ہے، جس میں بڑی معیشتوں کے درمیان بڑھتی ہوئی تجارتی کشیدگیوں اور محصولات کی جنگوں کی وجہ سے عالمی کاروبار کے منفی نمو کے خطرات میں اضافہ ہو رہا ہے۔ بین الاقوامی مالیاتی فنڈ (IMF) نے ترقی یافتہ معیشتوں میں سب سے زیادہ امریکی نمو کی کمی کی پیش گوئی کی ہے، جس میں اس نے 2025 کے لیے اپنے نمو کا تخمینہ کو 2.7% سے گھٹا کر 1.8% کر دیا ہے، جو کہ تجارتی محصولات، پالیسی کی غیر یقینی صورتحال اور صارفین کی خرچ کم کرنے کی وجہ سے ہے، اور اس نے 40% تک منفی نمو کے خطرے کی وارننگ دی ہے۔

یہ مسلسل مارکیٹ میں اتار چڑھاؤ عالمی سطح پر طلب کو کمزور کرنے کا خطرہ پیدا کرتا ہے، جو پاکستان کے برآمدات پر مبنی شعبوں کو نقصان پہنچا سکتا ہے۔ اگر یہ حالات برقرار رہتے ہیں، تو پاکستان کے صارفین کی خریداری کی طاقت پہلے ہی کمزور ہو چکی ہے اور مزید کم ہو سکتی ہے، جس سے ملکی معیشت پر اضافی دباؤ پڑے گا۔ مزید برآں، عالمی سطح پر مارکیٹ کی سرگرمی میں کمی آ سکتی ہے، جس سے مختلف شعبوں میں خام مال کی قیمتوں میں کمی آ سکتی ہے۔ مقامی کمپنیوں کو قیمتوں کے دباؤ کا سامنا ہوا سکتا ہے۔

2025 کے باقی حصے کے لیے، انتظامیہ کمپنی کی نمو کے لئے پُر اعتماد ہے۔ مالیاتی نظم و ضبط اور آپریشنل بہتری کی پختہ عزم کے ساتھ ہم معیشت کی غیر یقینی حالات کا مقابلہ کرنے کے لیے تیار ہیں، جبکہ اپنے مثبت کارکردگی کے رجحان کو جاری رکھتے ہوئے۔ آپ کی کمپنی جن شعبوں میں کام کر رہی ہے، ان میں سے اکثر میں مارکیٹ میں اس کا ہم حصہ ہے اور یہ بدلتی ہوئی مارکیٹ کی عاتوں سے نمٹنے کے لیے اچھی طرح سے تیار ہے۔

انتظار اعتراف

ڈائریکٹرز اپنے تمام شیئرز ہولڈرز کے تہہ دل سے شکر گزار ہیں کہ جنہوں نے ہمیشہ کمپنی میں اپنے اعتماد کا مظاہرہ کیا ہے اور ہم اپنے ملازمین کی مسلسل محنت کی بھی قدر کرتے ہیں جو کمپنی کے مقاصد کے حصول کے لیے کی جا رہی ہیں۔ ہم اپنے گاہکوں، سپلائرز اور بینکوں کا بھی شکریہ ادا کرتے ہیں جنہوں نے ہمیشہ ہمارا ساتھ دیا۔ ہم اس سال میں بہترین نتائج فراہم کرنے کے لئے پُر اعتماد ہیں۔

منجانب بورڈ



عارف سعید
ڈائریکٹر



عارف سعید
چیف ایگزیکٹو

29 اپریل 2025

لاہور

ڈائریکٹران کا جائزہ

سروس انڈسٹریز لمیٹڈ ("SIL" یا "کمپنی") کے ڈائریکٹرز اپنی جائزہ رپورٹ بعد 31 مارچ 2025 کو ختم ہونے والے سہ ماہی کے غیر انفرادی مختصر مالی بیانات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی کارکردگی

مندرجہ ذیل جدول 31 مارچ 2025 کو ختم ہونے والی سہ ماہی کے اہم مالی نکات کا موازنہ گزشتہ سال کی اسی مدت سے کرتا ہے:

تفصیلات	سہ ماہی اختتام	
	مارچ 31، 2025 روپے، ہزار میں	مارچ 31، 2024 روپے، ہزار میں
خالص فروخت	2,454,504	1,290,220
مجموعی منافع	190,192	227,136
آپریٹنگ منافع	431,866	606,909
منافع قبل از ٹیکس	55,574	208,132
منافع بعد از ٹیکس	64,875	392,017
فی شیئر آمدنی (روپے)	1.38	8.34
		(83%)
		(83%)
		(73%)
		(29%)
		(16%)
		90%

کمپنی نے اس سہ ماہی کے لیے 56 ملین روپے کا قبل از ٹیکس اور لیوی منافع حاصل کیا ہے، جبکہ گزشتہ سال کے اسی عرصے میں یہ رقم 208 ملین روپے تھی۔ اس کمی کی بنیادی وجہ متعلقہ ذیلی کمپنیوں سے حاصل ہونے والی ڈیویڈنڈ آمدنی گزشتہ سال کے اسی عرصے کے مقابلے میں کم رہی۔

مالی سال 2024 میں کمپنی کی تنظیم نو کے بعد، کمپنی اب بنیادی طور پر ایک سرمایہ کاری ہولڈنگ کمپنی کے طور پر کام کر رہی ہے۔ کمپنی اپنے ذیلی اداروں کے ذریعے متعدد شعبوں میں حکمت عملی سے متنوع پورٹ فولیو کو برقرار رکھتی ہے۔ اس کی آپریشنز میں ٹرانزوں، ٹیوبوں اور جوتوں کی تیاری شامل ہے۔ اس کے علاوہ، گروپ تجارت میں بھی مصروف ہے اور اپنے مشہور برانڈ 'سروس' کے نام سے جوتوں اور ایکٹیو ویئر کے لیے ایک ملکی سطح پر ریشیل نیٹ ورک چلاتا ہے۔ کمپنی کی مالی کارکردگی اس کے گروپ کمپنیوں کے آپریشنل اور مالی نتائج سے منسلک ہے۔ کمپنی کی ذیلی کمپنیوں میں کی جانے والی سرمایہ کاری کی تفصیل کمپنی کے انفرادی عبوری مالی بیانات کے نوٹ 6 میں پیش کی گئی ہے جو اس رپورٹ کے ساتھ منسلک ہے۔

بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) اور کمپنیز ایکٹ 2017 کے متعلقہ احکام کی تعمیل میں، کمپنی نے اپنی علیحدہ عبوری مختصر مالی بیانات کے ساتھ ساتھ اپنے مجموعی عبوری مختصر مالی بیانات کو بھی منسلک کیا ہے۔

ذیلی کمپنیز سے ڈیویڈنڈ کی آمدنی

زیر جائزہ سہ ماہی کے دوران، کمپنی کو اپنی مکمل ملکیت ذیلی کمپنی، سروس ٹرانز (پرائیویٹ) لمیٹڈ سے 300 ملین روپے کا ڈیویڈنڈ حاصل ہوا۔ اس کے علاوہ، سروس گلوبل فٹ ویئر لمیٹڈ نے بھی ایک حتمی نقد ڈیویڈنڈ کا اعلان کیا ہے، جس سے منافع کی آمدنی میں مزید 654 ملین روپے کا اضافہ ہوگا، جو اگلے سہ ماہی میں ظاہر ہوگا۔

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