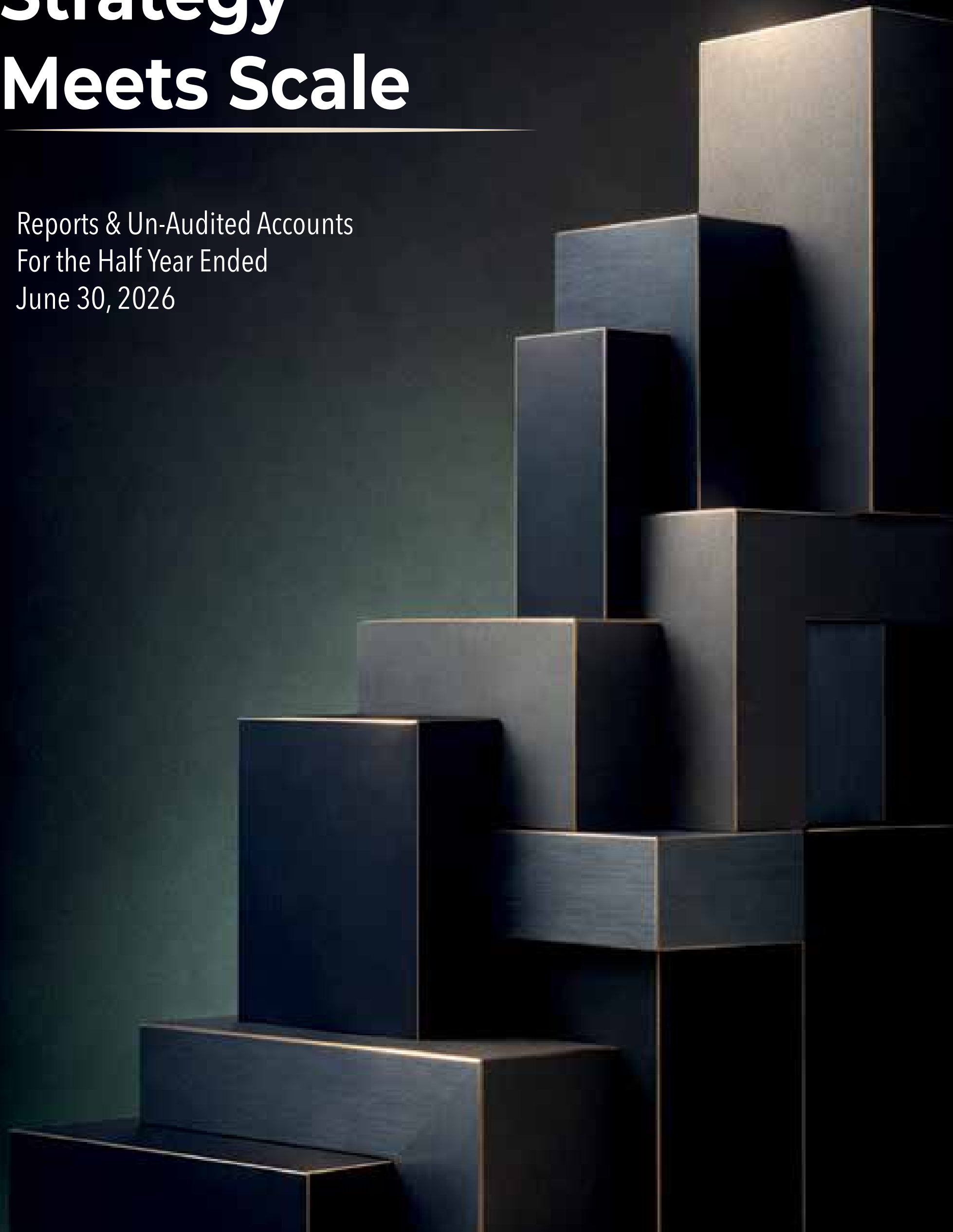
Service Industries Limited

Strategy Meets Scale

Reports & Un-Audited Accounts
For the Half Year Ended
June 30, 2026



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Corporate **Information**

Board of Directors

Mr. Hassan Javed
(Chairman / Non-Executive Director)
Mr. Arif Saeed
(Chief Executive Officer)
Executive Director
Mr. Omar Saeed
Non-Executive Director
Mr. Saif Javed
Non-Executive Director
Mr. Shahid Malik
Non-Executive Director
Mr. Muhammad Asad
Non-Executive Director
Ms. Uzma Adil Khan
Independent Director
Mr. Muhammad Naeem Khan
Independent Director
Mr. Ahsan Bashir
Independent Director

Chief Financial Officer

Mr. Babar Ali Khan

Company Secretary

Mr. Waheed Ashraf

Audit Committee

Mr. Muhammad Naeem Khan
(Chairman)
Independent Director
Mr. Omar Saeed
(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)
Independent 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 of Pakistan
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 Pakistan Limited
United Bank Limited
Pak Kuwait Investment Company Limited
JS Bank Limited
Bank Makramah 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

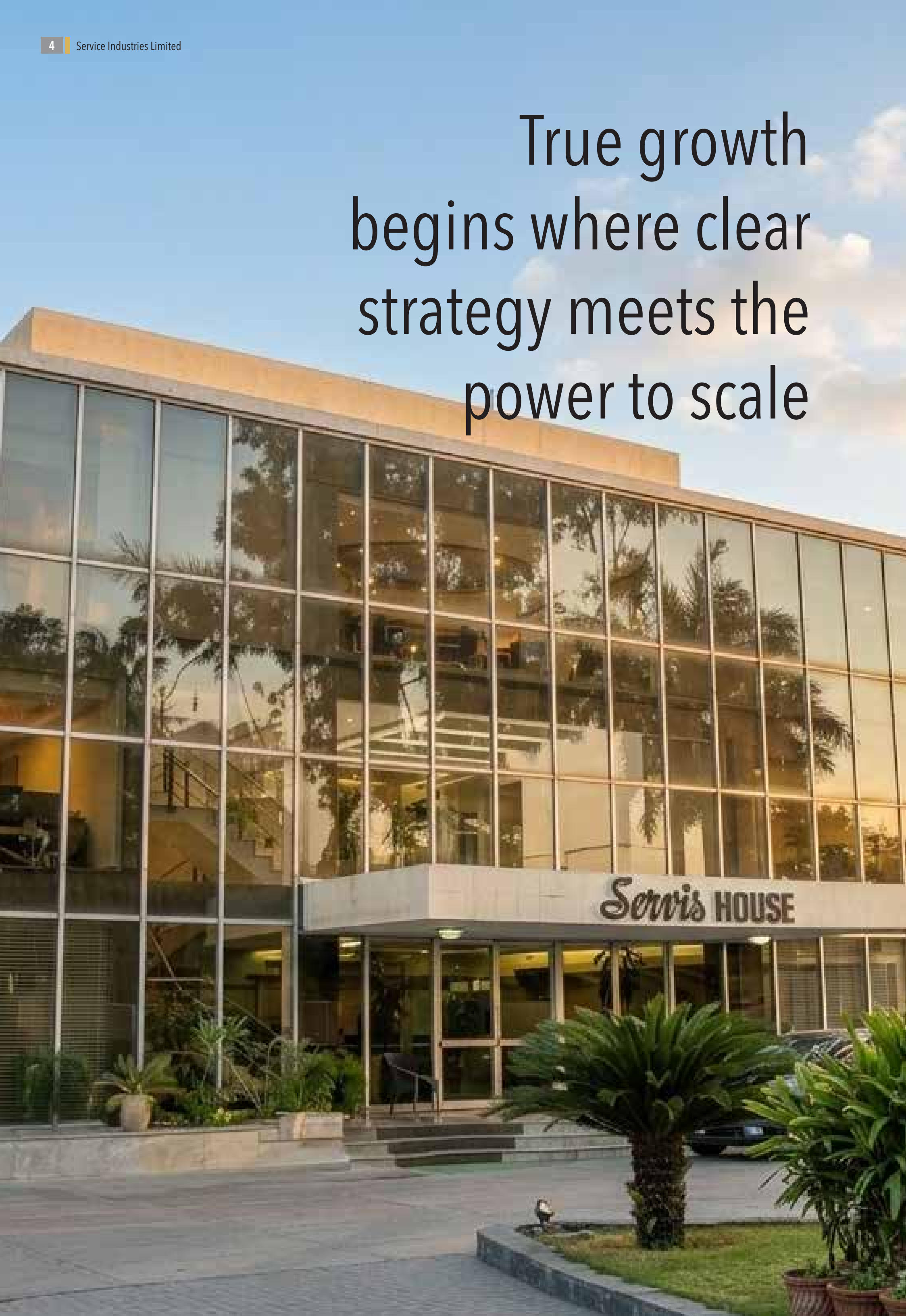
Manufacturing Facility

G.T. Road, Gujrat.

Web Presence

www.servisgroup.com

True growth begins where clear strategy meets the power to scale



Directors' Review Report

The Directors of Service Industries Limited ("SIL" or the "Company") are pleased to present their review report together with the unconsolidated and consolidated condensed interim un-audited financial statements, for the half year ended June 30, 2026.

Business Portfolio

SIL primarily functions as an investment holding entity, maintaining a strategically diversified portfolio across multiple sectors through its subsidiaries. Group operations mainly span manufacturing of tyres, tubes, auto spare parts and footwear, as well as trading activities supported by a nationwide retail network for footwear under the flagship brand "SERVIS". The Company's financial performance is closely aligned with the operational and financial results of its group companies. A detailed breakdown of the Company's investments in its subsidiaries is presented in Note 7 to the unconsolidated condensed interim financial statements annexed hereto.

Financial Performance

The following table summarizes the key financial highlights for the half year ended June 30, 2026, compared to the corresponding period last year:

Particulars	Unconsolidated			consolidated		
	June 30, 2026	June 30, 2025	Increase / (Decrease) %	June 30, 2026	June 30, 2025	Increase / (Decrease) %
	(Rupees in thousand)			(Rupees in thousand)		
Revenue – Net	**2,829,908**	3,997,290	**(29%)**	**84,752,775**	70,292,205	**21%**
Gross Profit	**439,473**	485,773	**(10%)**	**22,413,089**	15,844,720	**41%**
Dividend Income	**1,576,232**	965,660	**63%**	-	-	-
Operating Profit	**1,587,406**	1,181,640	**34%**	**13,435,229**	8,627,947	**56%**
Profit Before Levy and Taxation	**1,030,395**	461,629	**123%**	**11,206,126**	5,586,678	**101%**
Net Profit After Tax	**856,642**	334,502	**156%**	**9,691,484**	7,843,635	**24%**
Earnings Per Share - Rs.	**1.82**	0.71	**156%**	**12.32**	9.70	**27%**

* Subsequent to the reporting date, the shareholders of the Company approved a 10-for-1 subdivision of the Company's ordinaryshares, reducing the face value from Rs. 10 to Rs. 1 per share, at the Extraordinary General Meeting held on August 04, 2026. Accordingly, earnings per share for all periods presented above has been restated to reflect the revised number of shares, inaccordance with International Financial Reporting Standards. Had the subdivision of ordinary shares not been given effect,earnings per share for the half year ended June 30, 2026 would have been Rs. 18.2 (2025: Rs. 7.1) on an unconsolidated basis and Rs. 123.2 (2025: Rs. 97.0) on a consolidated basis.

Financial Performance Highlights - Unconsolidated

During the half year ended June 30, 2026, the Company, on an unconsolidated basis, reported an operating profit of Rs. 1,587million, up from Rs. 1,182 million in the corresponding period last year. Net Profit After Tax increased significantly, to Rs. 857million, compared to Rs. 335 million in the prior year. The growth in profitability was largely supported by an increase in dividend income from associated companies, together with a decrease in finance costs.

Directors' Review Report

Dividend Income from Associated Companies

During the half year ended June 30, 2026, SIL received dividend income of Rs. 1,576 million (2025: Rs. 966 million) from its subsidiary companies. This included Rs. 1,129 million from Service Tyres (Private) Limited (2025: Rs. 300 million), Rs. 310 million (2025: Rs. 654 million) from Service Global Footwear Limited, Rs. 100 million (2025: Rs. - million) from Service Retail (Private) Limited and Rs. 37 million (2025: Rs. 12 million) from Service Industries Capital (Private) Limited.

Additionally, the Board of Directors of Service Long March Tyres Limited, in their meeting held on August 17, 2026, recommended a final cash dividend of Rs. 0.83 per share for approval by its shareholders at the Annual General Meeting, which is expected to increase dividend income by Rs. 1,314 million, to be reflected in the next quarter.

Financial Performance Highlights - Consolidated

During the half year ended June 30, 2026, the Group posted a robust consolidated performance. Net revenue rose by 21% to Rs.84.8 billion, as against Rs. 70.29 billion in the corresponding period last year, while gross profit registered an increase of 41% to Rs. 22.41 billion, from Rs. 15.84 billion. Operating profit strengthened by 56% to Rs. 13.4 billion, as against Rs. 8.6 billion, and profit before levy and taxation more than doubled, rising by 101% to Rs. 11.2 billion from Rs. 5.59 billion, on the back of improved gross margins, operating leverage at consolidated level and a lower finance cost. Net profit after tax increased by 24%to Rs. 9.69 billion, as against Rs. 7.84 billion, translating into earnings per share of Rs. 12.32 (2025: Rs. 9.70).

Major contributions from the key business segments to the consolidated performance of the Group during the halfyear ended June 30, 2026 are as follows:

Tyre Segment

The Tyre Segment reported strong growth in top line, with net sales rising by 30% to Rs. 64.4 billion from Rs. 49.6 billion in prior year. This robust top-line growth, supported by disciplined pricing mechanism and operational efficiencies, resulted in a significant increase in gross profit to Rs. 16.0 billion from Rs. 9.7 billion. Alongside gains from higher volumes and wider gross margins, the segment is channeling resources into technology and product development, positioning itself for further expansion.

The Servis Group advanced three notable developments in its tyre business segment during the year. Service Long March Tyres Limited completed a landmark listing on the Pakistan Stock Exchange, raising Rs. 7.77 billion through the issue of 5% of its post-IPO share capital, with proceeds earmarked for the Passenger Car Radial Tyre Project, which is progressing in line with the commitments in the prospectus. During the period, the Company also increased its Truck and Bus Radial tyre production capacity by 25%, from 1.6 million to 2.0 million tyres per annum. In addition, Service Tyres (Private) Limited incorporated a wholly owned subsidiary, Service Tyres International (Private) Limited, to explore further expansion opportunities in the tyre business.

Footwear Segment

The Footwear Segment's net sales declined marginally by 4% to Rs. 18.0 billion from Rs. 18.8 billion in the prior year, mainly due to a 15% decline in export sales, partially offset by growth in the local retail business. However, gross profit increased to Rs. 6.2 billion from Rs. 5.9 billion, supported by prudent procurement and tight cost control. Continued brand strengthening, customer base development and improved operational efficiency underpin the segment's focus on sustaining its momentum. The first half of 2026 for the export footwear division was marked by de-stocking caused by U.S. tariff revisions and soft U.S. and European retail demand, shortening order horizons rather than collapsing end-demand. Encouragingly, strategic customers have confirmed new production lines and resumed placements, while trial production and workforce training of the JV – Service Athletic Global Footwear (Private) Limited – are underway to bring product quality in line with international benchmarks. The export footwear division expects gradual top-line recovery and margin protection through disciplined cost control.

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 unconsolidatedcondensed interim financial statements.

Future Outlook

The global economy enters the second half of 2026 on an uneven footing, with divergent regional growth and geopolitical risk continuing to set the tone for commodity markets. The International Monetary Fund projects global growth of 3.0% in 2026, firming to 3.4% in 2027, while global inflation is expected to average 4.7% against 4.1% in 2025 as the lagged effects of the energy shock pass through supply chains. Brent crude, which peaked at USD 118 per barrel in March 2026 on Middle East hostilities, has since moderated to around USD 90 per barrel. Emerging and developing economies are projected to grow by 3.6% in 2026,indicating a relatively supportive demand environment across regional markets.

Domestically, stabilisation has continued. Headline inflation averaged 7.1% year-to-date in FY2026, although the June 2026 reading of 11.1% signals residual price pressures, the State Bank of Pakistan held the policy rate at 11.5% as at late July 2026. Large-Scale Manufacturing grew 5.8% during July–May FY2026, workers' remittances rose 8.6% to USD 41.6 billion and IT exports reached a record USD 4.6 billion, up 20.6%. The fiscal deficit narrowed to 1.6% of GDP, while foreign exchange reserves stood at USD 22.7 billion, including USD 17.3 billion held by the SBP.

The outlook hinges on whether this improvement proves durable. S&P Global Ratings' upgrade of Pakistan's sovereign rating to 'B' from 'B-' reflects firming confidence, while progress toward resolving the US-Iran conflict could ease inflationary pressures and create room for the policy rate to approach single digits. Lower borrowing costs would relieve businesses and support activity. Further normalisation in the Middle East would also compress the oil risk premium, lowering the import bill and shoring up reserves and the exchange rate. Conversely, renewed crude volatility could pass through to fertiliser, freight and agricultural prices, sustaining pressure on import-dependent and price-sensitive segments. Medium-term guidance of 4.0% GDP growth remains contingent on continued fiscal discipline and reform.

The Company is holding its line on cost. Facing a manufacturing environment squeezed by elevated input costs, energy tariffs and financing charges, the Company remains focused on operational efficiency, tighter cost control and a more diversified supply chain. The strategy leans on disciplined pricing and conservative financial management to defend margins without pricing itself out of the market. By spreading revenue across a broader range of products, geographies and sectors, the Company is reducing its exposure to any single market or commodity swing, and disciplined capital allocation will keep value creation on a sustainable footing.

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.

Arif Saeed
(Chief Executive)

Omar Saeed
(Director)

August 27, 2026
Lahore.

Independent Auditor's Review Report

To the members of Service Industries Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of SERVICE INDUSTRIES LIMITED (the Company) as at 30 June 2026 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended 30 June 2026 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor's review report is Syed Mustafa Ali.

RIAZ AHMAD & COMPANY
Chartered Accountants
Lahore
Date: August 27, 2026
UDIN: RR202610168tVFJ9BR7H

Unconsolidated Condensed Interim Financial Statements

Unconsolidated Condensed Interim Statement of Financial Position
As at June 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (31 December 2025: 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 2025: 46,987,454) ordinary shares of Rupees 10 each		**469,874**	469,874
Reserves		**8,054,028**	8,025,328
Total equity		**8,523,902**	8,495,202
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	**6,341,925**	5,202,511
Lease liabilities		**23,770**	48,800
Employees' retirement benefit		**100,329**	98,171
Deferred income tax liability - net		**11,820**	-
		6,477,844	5,349,482
CURRENT LIABILITIES			
Trade and other payables		**1,797,065**	1,428,984
Contract liabilities		**716,918**	653,331
Accrued mark-up		**145,676**	131,791
Short term borrowings		**3,552,987**	4,321,261
Current portion of non-current liabilities		**2,152,883**	2,238,141
Taxation and levy - net		-	13,282
Unclaimed dividend		**62,866**	54,023
		8,428,395	8,840,813
Total liabilities		**14,906,239**	14,190,295
Contingencies and commitments	5		
TOTAL EQUITY AND LIABILITIES		**23,430,141**	22,685,497

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

Arif Saeed
(Chief Executive)

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	6	**1,360,315**	1,327,879
Investment property		**182**	182
Right-of-use assets		**32,640**	60,784
Intangible assets		**943**	1,876
Deferred income tax asset - net		**-**	53,048
Long term investments	7	**14,014,563**	14,021,686
Long term security deposits		**11,698**	11,301
Long term loans to employees		**11,803**	14,688
		15,432,144	15,491,444
CURRENT ASSETS			
Stores, spares and loose tools		**65,681**	23,207
Stock in trade		**2,939,388**	2,125,784
Trade debts		**1,075,213**	1,056,756
Loans and advances		**167,779**	139,431
Taxation and levy - net		**188,341**	-
Trade deposits and prepayments		**365,577**	147,092
Other receivables		**461,008**	490,588
Short term investments	8	**2,440,210**	441,077
Cash and bank balances		**294,800**	2,770,118
		7,997,997	7,194,053
TOTAL ASSETS		**23,430,141**	22,685,497

Omar Saeed
(Director)

Babar Ali Khan
(Chief Financial Officer)

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

For the half year ended June 30, 2026

		(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	Note	(Rupees in thousand)			
Revenue	9	**2,829,908**	3,997,290	**1,520,877**	1,542,786
Cost of sales	10	**(2,390,435)**	(3,511,517)	**(1,294,524)**	(1,247,205)
Gross profit		**439,473**	485,773	**226,353**	295,581
Distribution cost		**(176,185)**	(165,980)	**(83,186)**	(74,990)
Administrative expenses		**(374,672)**	(317,512)	**(258,872)**	(225,821)
Other expenses		**(72,445)**	(19,489)	**(50,274)**	(10,933)
		(623,302)	(502,981)	**(392,332)**	(311,744)
		(183,829)	(17,208)	**(165,979)**	(16,163)
Other income		**1,771,235**	1,198,848	**867,712**	765,937
Profit from operations		**1,587,406**	1,181,640	**701,733**	749,774
Finance cost		**(557,011)**	(720,011)	**(294,672)**	(343,719)
Profit before levy and taxation		**1,030,395**	461,629	**407,061**	406,055
Levy		**-**	(29,876)	**-**	(29,876)
Profit before taxation		**1,030,395**	431,753	**407,061**	376,179
Taxation		**(173,753)**	(97,251)	**(82,725)**	(106,552)
Profit after taxation		**856,642**	334,502	**324,336**	269,627
			(Restated)		(Restated)
Earnings per share - basic and diluted (rupees)	17	**1.82**	0.71	**0.69**	0.57

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

Arif Saeed	Omar Saeed	Babar Ali Khan
(Chief Executive)	(Director)	(Chief Financial Officer)

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

For the half year ended June 30, 2026

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
Profit after taxation	**856,642**	334,502	**324,336**	269,627
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	**(5,662)**	(8,505)	**10,585**	(4,894)
Items that may be reclassified subsequently to profit or loss	**-**	-	**-**	-
Other comprehensive (loss) / income for the period - net of tax	**(5,662)**	(8,505)	**10,585**	(4,894)
Total comprehensive income for the period	**850,980**	325,997	**334,921**	264,733

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

Arif Saeed
(Chief Executive)

Omar Saeed
(Director)

Babar Ali Khan
(Chief Financial Officer)

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)
For the half year ended June 30, 2026

	Share capital	Reserves										Total equity
		Capital reserves					Revenue reserves			Total		
		Capital gains	Fair value reserve FVTOCI investment	Share premium	Reserve pursuant to the Scheme	Sub Total	General reserve	Un-appropriated profit	Sub total			
	Rupees in thousand											
Balance as at 31 December 2024 - audited	469,874	102,730	29,202	21,217	927,163	1,080,312	1,558,208	5,381,788	6,939,996	8,020,308		8,490,182
Transaction with owners:												
Final dividend for the year ended 31 December 2024 @ Rupees 15 per share	-	-	-	-	-	-	-	(704,812)	(704,812)	(704,812)		(704,812)
Profit for the half year ended 30 June 2025	-	-	-	-	-	-	-	334,502	334,502	334,502		334,502
Other comprehensive loss for the half year ended 30 June 2025	-	-	(8,505)	-	-	(8,505)	-	-	-	(8,505)		(8,505)
Total comprehensive income for the half year ended 30 June 2025	-	-	(8,505)	-	-	(8,505)	-	334,502	334,502	325,997		325,997
Balance as at 30 June 2025 - un-audited	469,874	102,730	20,697	21,217	927,163	1,071,807	1,558,208	5,011,478	6,569,686	7,641,493		8,111,367
Profit for the half year ended 31 December 2025	-	-	-	-	-	-	-	375,776	375,776	375,776		375,776
Other comprehensive income for the half year ended 31 December 2025	-	-	9,821	-	-	9,821	-	(1,762)	(1,762)	8,059		8,059
Total comprehensive income for the half year ended 31 December 2025	-	-	9,821	-	-	9,821	-	374,014	374,014	383,835		383,835
Balance as at 31 December 2025 - audited	469,874	102,730	30,518	21,217	927,163	1,081,628	1,558,208	5,385,492	6,943,700	8,025,328		8,495,202
Transaction with owners:												
Final dividend for the year ended 31 December 2025 @ Rupees 17.5 per share	-	-	-	-	-	-	-	(822,280)	(822,280)	(822,280)		(822,280)
Profit for the half year ended 30 June 2026	-	-	-	-	-	-	-	856,642	856,642	856,642		856,642
Other comprehensive loss for the half year ended 30 June 2026	-	-	(5,662)	-	-	(5,662)	-	-	-	(5,662)		(5,662)
Total comprehensive income for the half year ended 30 June 2026	-	-	(5,662)	-	-	(5,662)	-	856,642	856,642	850,980		850,980
Balance as at 30 June 2026 - un-audited	469,874	102,730	24,856	21,217	927,163	1,075,966	1,558,208	5,419,854	6,978,062	8,054,028		8,523,902

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

Arif Saeed	Omar Saeed	Babar Ali Khan
(Chief Executive)	(Director)	(Chief Financial Officer)

Unconsolidated Condensed Interim Statement of Cash Flows (Un-audited)
For the half year ended June 30, 2026

	Note	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
		(Rupees in thousand)	
Cash flows from operating activities			
Cash (used in) / generated from operations	11	**(573,088)**	2,367,881
Finance cost paid		**(543,126)**	(684,322)
Income tax and levy paid		**(309,048)**	(252,516)
Staff retirement benefits paid		**(8,022)**	(13,167)
Long term loans to employees - net		**4,279**	(5,041)
Long term security deposits - net		**(396)**	(2,269)
Insurance claim received - net		**1,496**	-
Net cash (used in) / generated from operating activities		**(1,427,905)**	1,410,566
Cash flows from investing activities			
Capital expenditure on fixed assets		**(134,438)**	(177,969)
Proceeds from disposal of fixed assets		**20,505**	11,711
Short term investments disposed of		**886,419**	1,047,919
Short term investment made		**(2,886,419)**	(1,240,919)
Return on short term investments received		**18,977**	14,236
Dividend received		**1,576,232**	965,660
Net cash (used in) / from investing activities		**(518,724)**	620,638
Cash flows from financing activities			
Long term financing obtained		**2,802,500**	3,000,000
Long term financing repaid		**(1,738,086)**	(453,127)
Short term borrowings - net		**(768,274)**	(3,983,305)
Lease liabilities - net		**(11,392)**	(14,772)
Dividend paid		**(813,437)**	(698,002)
Net cash used in financing activities		**(528,689)**	(2,149,206)
Net decrease in cash and cash equivalents		**(2,475,318)**	(118,002)
Cash and cash equivalents at the beginning of the period		**2,770,118**	416,950
Cash and cash equivalents at the end of the period		**294,800**	298,948

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

Arif Saeed	Omar Saeed	Babar Ali Khan
(Chief Executive)	(Director)	(Chief Financial Officer)

Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

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 and sale and purchase of tyres and related material. These unconsolidated condensed interim financial statements pertain to Service Industries Limited as an individual entity.

2. Basis of preparation

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

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

- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications 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 2025. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

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 2025.

3.1 Critical accounting estimates and judgments

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

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 31 December 2025.

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		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
4.	**Long term financing**		
	Opening balance	**7,414,865**	5,673,861
	Add: Obtained during the period / year	**2,802,500**	3,000,000
	Less: Repaid during the period / year	**(1,738,086)**	(1,258,996)
		8,479,279	7,414,865
	Less: Current portion shown under current liabilities	**(2,137,354)**	(2,212,354)
		6,341,925	5,202,511

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2025 except as follows:

5.1.1 The Additional Commissioner Inland Revenue (ACIR) initiated amendment proceedings under section 122(5A), of the Income Tax Ordinance, 2001 on 10 April 2026 against the Company in respect of its deemed assessment for tax year 2020. Vide order dated 29 June 2026, the ACIR amended the said assessment and reduced the Company's refundable income tax by Rupees 83.132 million. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the aforesaid order, which is still pending adjudication.

5.1.2 Deputy Commissioner Inland Revenue (DCIR) initiated sales tax audit for the year 2013-2014 on 28 December 2017, in which demand of Rupees 102.465 million was created. The Company filed appeal with Commissioner Inland Revenue (Appeals) [CIR(A)] on 18 January 2018, who confirmed the demand of Rupees 7.328 million and remanded back certain charges to the tune of Rupees 95.137 million. The Company filed an appeal with Appellate Tribunal Inland Revenue (ATIR) on 14 March 2018 against the decision of CIR(A) which is pending for hearing. Furthermore on 07 September 2018, the Company filed an application for stay of recovery and Honourable Lahore High Court, Lahore, granted stay in said case. Later on, the proceedings against remanded back portion were initiated by DCIR and order in this regard has been issued dated 30 June 2025 in which DCIR created the same demand of Rupees 95.137 million. The Company filed appeal before CIR(A) against the decision of DCIR wherein the appeal to the tune of Rupees 87.152 million has been decided in favour of the Company. ATIR vide its order dated 15 June 2026 has annulled the demand of Rupees 7.985 million for fresh consideration.

Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

5.1.3 Deputy Commissioner Inland Revenue (DCIR) conducted income tax audit for the year 2011 in which a demand of Rupees 19.605 million was created on 30 April 2018. The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 29 May 2018, who confirmed the demand of Rupees 12.989 million and remanded back certain charges amounting to Rupees 6.616 million by way of order dated 07 August 2020. On 07 October 2020, the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR). ATIR vide its order dated 01 June 2026 has annulled the entire demand.

5.1.4 Deputy Commissioner Inland Revenue (DCIR), concluded sales tax proceedings under section 11E of the Sales Tax Act, 1990, in respect of the matter relating to section 8B for the tax periods from January 2024 to September 2025, whereby a sales tax demand of Rupees 153.24 million was created. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 01 June 2026, which is still pending adjudication.

5.1.5 The management, based on advice of its advisors, is confident that the decisions regarding the above matters (Note 5.1.1 to Note 5.1.4) will be in favour of the Company, hence no provision has been made in these financial statements.

5.1.6 Infrastructure cess imposed by the Province of Sindh under the Sindh Finance Act, 1994 and its subsequent amendments, including the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Company filed a writ petition before the Sindh High Court, (the Court) which granted a stay order subject to the furnishing of bank guarantees in favour of the Director Excise and Taxation, Karachi. Subsequently, the Court through its order dated 4 June 2021, directed encashment of the bank guarantees. Being aggrieved, the Company, along with others, filed petition for leave to appeal before the Supreme Court of Pakistan. By its order dated 01 September 2021, the Supreme Court of Pakistan granted leave to appeal, restrained the Sindh Government from encashing the bank guarantees furnished pursuant to the interim orders of the Court and directed the release of future consignments against submission of bank guarantees for the disputed amounts.

Following the establishment of the Federal Constitutional Court of Pakistan under the Twenty-Seventh Constitutional Amendment, all pending appeals, including the Company's appeal, were transferred to Federal Constitutional Court of Pakistan. By order dated 23 February 2026, the Federal Constitutional Court of Pakistan granted interim injunctive relief by directing that fresh consignments be released upon furnishing undertakings and post-dated cheques. The matter is currently pending adjudication.

The Government of Sindh enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 ("Amendment Act"), which has been gazetted on 23 February 2026. The Amendment Act introduced concessionary cess rates for future consignments for entities entering into a settlement agreement by either paying the outstanding cess liability in a single lump sum on or before 15 July 2026 or in 51 instalments. Execution of the settlement agreement is subject to unconditional withdrawal of all pending litigation and waiver of all claims against the Government of Sindh.

The Company, along with others, has filed a constitutional petition before the Court seeking a declaration that entities having pending litigation, including appeals before the Federal Constitutional Court of Pakistan on the subject matter, should not be subjected to discriminatory or disadvantageous treatment. The petition also seeks to restrain the Government of Sindh and its officers from taking any coercive action, including encashment of bank guarantees and post-dated cheques furnished in respect of the levy. Based on the advice of legal counsel, the management of the Company believes a favourable outcome of the matter.

5.1.7 The Company has issued cross corporate guarantees of Rupees Nil (31 December 2025: Rupees 9,000 million) on behalf of Service Long March Tyres (Private) Limited - Subsidiary Company to secure the obligations of subsidiary company towards its lenders. During the period, the aforesaid guarantees amounting to Rupees 9,000 million have been fully released and, accordingly, no such obligation subsists as at the reporting date.

5.1.8 Guarantees issued in ordinary course of business through banks are of Rupees 2,001.414 million (31 December 2025: Rupees 1,783.197 million).

5.1.9 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 38.021 million (31 December 2025: Rupees 38.021 million) on imported material availed on the basis of consumption and export plans.

5.2 Commitments

5.2.1 Letters of credit other than capital expenditure are of Rupees 446.898 million (31 December 2025: Rupees 210.459 million).

5.2.2 Following represent commitments arising from short-term leases recognized on a straight-line basis as expense under the practical expedients applied by the Company. The amount of future payments under these leases and the period in which these payments will become due are as follows:

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Note	(Rupees in thousand)	
Not later than one year		**4,353**	5,530

6. Fixed assets

	Note	**(Un-audited) June 30, 2026**	(Audited) December 31, 2025
Operating fixed assets	6.1	**1,323,618**	1,259,404
Capital work-in-progress	6.2	**36,697**	68,475
		1,360,315	1,327,879

6.1 Operating fixed assets

	Note	**(Un-audited) June 30, 2026**	(Audited) December 31, 2025
Opening net book value		**1,259,404**	1,198,417
Add: Cost of additions during the period / year	6.1.1	**166,217**	271,804
Less: Book value of deletions / adjustment during the period / year	6.1.2	**(23,912)**	(49,179)
Less: Depreciation charged during the period / year		**(78,091)**	(161,638)
Closing net book value		**1,323,618**	1,259,404

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

For the half year ended June 30, 2026

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			(Rupees in thousand)	
6.1.1	**Cost of additions during the period / year**			
	Buildings on freehold land		**84,807**	5,994
	Plant and machinery		**10,791**	61,674
	Furniture, fixture and fittings		**10,495**	2,293
	Vehicles		**39,049**	129,495
	Service equipment		**20,635**	67,638
	Leasehold improvements		**440**	4,710
			166,217	271,804
6.1.2	**Book value of deletions / adjustment during the period / year**			
	Cost of deletions / adjustment			
	Buildings on freehold land		-	712
	Plant and machinery		**40,865**	51,572
	Furniture, fixture and fittings		**631**	41
	Vehicles		**7,524**	54,542
	Service equipment		**12,050**	19,254
	Leasehold improvements		**4,791**	-
			65,861	126,121
	Less: Accumulated depreciation		**(41,949)**	(76,942)
	Book value of deletions / adjustment during the period / year		**23,912**	49,179
6.2	**Capital work-in-progress**			
	Buildings on freehold land		**8,839**	44,663
	Plant and machinery		**203**	539
	Furniture, fixture and fittings		**495**	-
	Advances against capital expenditures		-	11,390
	Advances against purchase of vehicles		**27,160**	11,883
			36,697	68,475
7.	**Long term investments**			
	Investments in subsidiary companies - at cost	7.1	**13,965,219**	13,965,219
	Investments in joint ventures	7.2	-	-
	Other investment - at FVTOCI	7.3	**49,344**	56,467
			14,014,563	14,021,686

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
7.1 Investments in subsidiary companies - at cost			
Service Industries Capital (Private) Limited - unquoted 74,082,700 (31 December 2025: 74,082,700) fully paid ordinary shares of Rupees 10 each Equity held 100% (31 December 2025: 100%)		**740,827**	740,827
Service Global Footwear Limited - quoted 154,866,080 (31 December 2025: 154,866,080) fully paid ordinary shares of Rupees 10 each Equity held 75.01% (31 December 2025: 75.01%)		**2,865,504**	2,865,504
Service Long March Tyres Limited - quoted 1,582,698,295 (31 December 2025: 1,582,698,295) fully paid ordinary shares of Rupees 02 each Equity held 20.30% (31 December 2025: 21.37%)	7.1.1	**3,179,430**	3,179,430
Service Tyres (Private) Limited - unquoted 666,724,300 (31 December 2025: 666,724,300) fully paid ordinary shares of Rupees 10 each Equity held 100% (31 December 2025: 100%)		**6,667,243**	6,667,243
Service Retail (Private) Limited - unquoted 50,500,000 (31 December 2025: 50,500,000) fully paid ordinary shares of Rupees 10 each Equity held 100% (31 December 2025: 100%)		**505,000**	505,000
SIL GULF FZE - unquoted 1 (31 December 2025: 1) fully paid share of UAE Dirhams 150,000 Equity held 100% (31 December 2025: 100%)		**7,215**	7,215
		13,965,219	13,965,219

7.1.1 Service Long March Tyres Limited (SLM) is primarily engaged in the business of manufacturing, sale, marketing, import and export of all steel radial truck, bus, light truck and off the road tyres. Its registered office is situated at Servis House, 2 – Main Gulberg, Lahore. SLM was listed on the Pakistan Stock Exchange (PSX) on 15 June 2026.

Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in thousand)	
7.2 Investments in joint ventures		
S2 Power Limited 24,000 (31 December 2025: 24,000) fully paid ordinary shares of Rupees 10 each	**240**	240
S2 Hydro Limited 24,000 (31 December 2025: 24,000) fully paid ordinary shares of Rupees 10 each	**240**	240
	480	480
Less : Impairment loss against investment	**(480)**	(480)
	-	-
7.3 Other investment - at FVTOCI		
TRG Pakistan Limited - quoted 775,000 (31 December 2025: 775,000) fully paid ordinary shares of Rupees 10 each	**17,089**	17,089
Fair value adjustment	**32,255**	39,378
	49,344	56,467

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
8. Short term investments			
Mutual funds - at fair value through profit or loss	8.1	**2,000,000**	-
Term deposits receipts - at amortized cost	8.2	**440,210**	441,077
		2,440,210	441,077

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

For the half year ended June 30, 2026

8.1 Mutual funds

Un-audited	Audited	Name of fund	Un-audited			Un-audited		
30 June 2026	31 December 2025		30 June 2026			30 June 2025		
Number of units			Carrying value	Unrealised gain	Fair value	Carrying value	Unrealised gain	Fair value
			(Rupees in thousand)					
16,576,875.2590	Nil	JS Microfinance Sector Fund	**2,000,000**	-	**2,000,000**	-	-	-
			2,000,000	-	**2,000,000**	-	-	-

8.2 Term deposits receipts

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
At amortized cost	8.2.1	**435,419**	435,419
Add: Accrued interest		**4,791**	5,658
		440,210	441,077

8.2.1 These represent term deposits with banking companies having maturity period of one month to one year and carry profit at the rates ranging from 6.48% to 11% per annum (31 december 2025: 5.05% to 11% per annum).

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

For the half year ended June 30, 2026

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
9. Revenue				
Revenue from contracts with customers:				
Export:				
- Sales	**17,809**	14,431	**17,809**	8,547
- Discounts, commissions etc.	**-**	(6,674)	**-**	(2,284)
	17,809	7,757	**17,809**	6,263
Local:				
- Sales	**3,461,626**	4,928,281	**1,863,033**	1,940,815
- Processing income	**7,671**	-	**4,741**	-
- Commission income	**-**	3,605	**-**	543
- Sales tax	**(502,482)**	(695,722)	**(273,236)**	(261,668)
- Discounts, commissions etc.	**(154,716)**	(246,631)	**(91,470)**	(143,167)
	2,812,099	3,989,533	**1,503,068**	1,536,523
	2,829,908	3,997,290	**1,520,877**	1,542,786

9.1 Disaggregation of revenue from contracts with customers

In the following tables, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition:

9.1.1 Major product / service lines

	June 30, 2026 (Half Year)	June 30, 2025 (Half Year)	June 30, 2026 (Quarter)	June 30, 2025 (Quarter)
Sales of footwear - net				
Export sales	**17,809**	7,757	**17,809**	6,263
Local sales	**2,530,459**	2,560,160	**1,246,698**	1,345,013
	2,548,268	2,567,917	**1,264,507**	1,351,276
Sales of tyres and related raw material - net				
Local sales	-	1,418,960	-	191,381
Commission income	-	3,605	-	543
Sales of technical rubber products - net				
Local sales	**275,139**	6,808	**252,352**	(414)
Processing income	**6,501**	-	**4,018**	-
	2,829,908	3,997,290	**1,520,877**	1,542,786

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

For the half year ended June 30, 2026

9.1.2 Primary geographical market:

	Footwear				Tyre				Others				Total			
	(Un-audited)				(Un-audited)				(Un-audited)				(Un-audited)			
	Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)															
Europe		4,716		6,263	**-**	-	**-**	-	**-**	-	**-**	-	**-**	4,716	**-**	6,263
Asia	**17,809**	3,041	**17,809**	-	**-**	-	**-**	-	**-**	-	**-**	-	**17,809**	3,041	**17,809**	-
Pakistan	**2,530,459**	2,560,226	**1,246,698**	1,345,013	**-**	1,422,499	**-**	191,924	**281,640**	6,808	**256,370**	(414)	**2,812,099**	3,989,533	**1,503,068**	1,536,523
	2,548,268	2,567,983	**1,264,507**	1,351,276	**-**	1,422,499	**-**	191,924	**281,640**	6,808	**256,370**	(414)	**2,829,908**	3,997,290	**1,520,877**	1,542,786

9.1.3 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

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

For the half year ended June 30, 2026

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
10. Cost of sales				
Raw materials consumed	**1,429,417**	2,872,933	**801,258**	2,239,288
Salaries, wages and other benefits	**686,360**	487,570	**348,827**	233,494
Stores and spares consumed	**40,423**	29,835	**27,204**	18,107
Packing materials consumed	**137,029**	91,059	**67,380**	39,521
Fuel and power	**81,277**	63,376	**32,433**	24,348
Insurance	**9,062**	10,853	**5,350**	4,841
Travelling and conveyance	**7,579**	8,000	**2,004**	3,823
Repair and maintenance	**15,826**	17,880	**9,976**	7,607
Entertainment	**1,107**	1,142	**541**	802
Depreciation	**35,885**	38,738	**18,222**	19,439
Provision / (Reversal of provision) for slow moving and obsolete inventory	**13,557**	(13,651)	**10,223**	(18,375)
Processing charges	**1,608**	1,899	**1,608**	1,899
Other manufacturing charges	**5,788**	6,612	**2,995**	3,632
	2,464,918	3,616,246	**1,328,021**	2,578,426
Work in process:				
Movement in work in process	**(144,852)**	19,936	**(10,143)**	18,872
Cost of goods manufactured	**2,320,066**	3,636,182	**1,317,878**	2,597,298
Finished goods:				
Movement in finished goods	**70,369**	(124,665)	**(23,354)**	(1,350,093)
	2,390,435	3,511,517	**1,294,524**	1,247,205

	Note	(Un-audited) Half year ended June 30, 2026	June 30, 2025
		(Rupees in thousand)	
11. Cash generated from operations			
Profit before taxation and levy		**1,030,395**	461,629
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets		**78,091**	76,539
Depreciation on right-of-use assets		**10,101**	10,196
Amortization on intangible assets		**933**	938
Provision for gratuity		**10,180**	9,781
Finance cost		**557,011**	720,011
Provision for workers' welfare fund		**21,028**	9,421
Provision / (Reversal of provision) for slow moving and obsolete stock-in-trade		**13,539**	(13,766)
Provision for slow moving and obsolete stores, spares and loose tools		**18**	115
Allowance for expected credit losses - trade debts		**37,938**	4,265
Insurance claim income		**(1,496)**	-
Loss / (Gain) on disposal of fixed assets		**3,407**	(4,509)
Gain on Lease termination		**(5,853)**	-
Exchange gain - net		**(3,772)**	(1,253)
Dividend income		**(1,576,232)**	(965,660)
Return on short term investments		**(18,110)**	(15,961)
Working capital changes	10.1	**(730,266)**	2,076,135
		(573,088)	2,367,881
11.1 Working capital changes			
(Increase) / Decrease in current assets:			
Stores and spare parts		**(42,492)**	(25,806)
Stock in trade		**(827,143)**	(462,457)
Trade debts		**(56,395)**	931,992
Loans and advances		**(29,742)**	1,741,518
Prepayments		**(218,485)**	(26,250)
Other receivables		**29,580**	41,001
Increase / (Decrease) in current liabilities:			
Trade and other payables		**350,824**	(188,611)
Contract liabilities		**63,587**	64,748
		(730,266)	2,076,135

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

For the half year ended June 30, 2026

12. Segment information

The Company has three (31 December 2025: 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: Procuring (not manufacturing) and sales of tyres and related raw material.

Others: Manufacturing of different qualities of rubber products on specifications.

	Footwear		Tyre		Others		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)							
Sales								
External:								
- Export	**17,809**	7,757	-	-	-	-	**17,809**	7,757
- Local	**2,530,459**	2,560,160	-	1,418,960	**275,139**	6,808	**2,805,598**	3,985,928
- Processing Income	-	-	-	-	**6,501**	-	**6,501**	-
- Commission income	-	66	-	3,539	-	-	-	3,605
	2,548,268	2,567,983	-	1,422,499	**281,640**	6,808	**2,829,908**	3,997,290
Cost of sales	**(2,058,435)**	(2,056,581)	-	(1,418,960)	**(332,000)**	(35,976)	**(2,390,435)**	(3,511,517)
Gross profit / (loss)	**489,833**	511,402	-	3,539	**(50,360)**	(29,168)	**439,473**	485,773
Distribution cost	**(169,185)**	(156,739)	-	-	**(7,000)**	(9,241)	**(176,185)**	(165,980)
Administrative expenses	**(366,672)**	(315,413)	-	-	**(8,000)**	(2,099)	**(374,672)**	(317,512)
	(535,857)	(472,152)	-	-	**(15,000)**	(11,340)	**(550,857)**	(483,492)
Profit / (loss) before levy and taxation and unallocated income and expenses	**(46,024)**	39,250	-	3,539	**(65,360)**	(40,508)	**(111,384)**	2,281
Unallocated income and expenses :								
Other expenses							**(72,445)**	(19,489)
Other income							**1,771,235**	1,198,848
Finance cost							**(557,011)**	(720,011)
Levy							-	(29,876)
Taxation							**(173,753)**	(97,251)
Profit after taxation							**856,642**	334,502

12.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Others		Total - Company	
	(Un-audited)	(Audited)	**(Un-audited)**	(Audited)	**(Un-audited)**	(Audited)	**(Un-audited)**	(Audited)
	June 30, 2026	December 31, 2025	**June 30, 2026**	December 31, 2025	**June 30, 2026**	December 31, 2025	**June 30, 2026**	December 31, 2025
	(Rupees in thousand)							
Total assets for reportable segment	**5,969,771**	4,916,708	**-**	-	**709,854**	534,032	**6,679,625**	5,450,740
Unallocated assets:								
Intangible assets							**943**	1,876
Long term investments							**14,014,563**	14,021,686
Short term investments							**2,440,210**	441,077
Cash and bank balances							**294,800**	2,770,118
Total assets as per unconsolidated condensed interim statement of financial position							**23,430,141**	22,685,497
Total liabilities for reportable segment	**2,498,860**	2,280,834	**-**	-	**229,437**	28,262	**2,728,297**	2,309,096
Unallocated liabilities:								
Long term financing							**8,479,279**	7,414,865
Accrued mark-up							**145,676**	131,791
Short term borrowings							**3,552,987**	4,321,261
Taxation and levy - net							**-**	13,282
Total liabilities as per unconsolidated condensed interim statement of financial position							**14,906,239**	14,190,295

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

For the half year ended June 30, 2026

13. Recognized fair value measurements - financial instruments

(i) Fair value hierarchy

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

Recurring fair value measurements at 30 June 2026 - Un-audited	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Financial asset at fair value through profit or loss	**2,000,000**	-	-	**2,000,000**
Financial asset at fair value through other comprehensive income	**49,344**	-	-	**49,344**

Recurring fair value measurements at 31 December 2025 - Audited	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Financial asset at fair value through other comprehensive income	56,467	-	-	56,467

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 half year ended 30 June 2026. Further there was no transfer in and out of level 3 measurements.

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

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

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

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

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

Specific valuation technique used to value financial instruments was use of quoted market prices.

14. Transactions with related parties

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

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
(i) Transactions:				
Service Global Footwear Limited - subsidiary company				
Short term loan obtained	**-**	74,000	**-**	-
Interest on loans	**-**	33,354	**-**	-
Sale of goods	**59,679**	225,642	**53,158**	52,110
Sale of fixed assets	**-**	115	**-**	115
Purchase of goods	**15,937**	28,417	**10,160**	13,574
Loan repaid	**-**	2,574,000	**-**	-
Expenses charged	**91,606**	127,614	**45,456**	65,542
Dividend received	**309,732**	654,200	**309,732**	654,200
Service Long March Tyres Limited - subsidiary company				
Sale of goods	**4,700**	4,198	**1,800**	-
Service provided	**12,192**	18,000	**3,192**	9,000
Expenses charged	**65,733**	37,498	**32,658**	19,430

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

For the half year ended June 30, 2026

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
Service Tyres (Private) Limited - subsidiary company				
Sale of goods	**13,225**	1,428,258	**7,033**	200,678
Purchase of goods	**28,822**	19,462	**15,191**	13,737
Rental income	**126,075**	123,000	**63,038**	61,500
Interest expense	**19,799**	57,895	**19,799**	1,382
Dividend received	**1,129,000**	300,000	**329,000**	-
Commission income	-	3,539	-	477
Short term borrowings - net	-	1,441,029	-	90,526
Long term financing obtained	**2,000,000**	-	**2,000,000**	-
Sale of fixed assets	-	236	-	236
Expenses charged	**301,283**	268,675	**166,902**	78,355
Service Retail (Private) Limited - subsidiary company				
Sale of goods	**137,268**	195,058	**39,971**	59,121
Rental income	**5,954**	8,191	**3,032**	5,074
Commission income	-	66	-	-
Short term loan - net	-	1,692,442	-	2,550,527
Interest income	-	48,460	-	9,155
Expenses charged	**93,998**	98,669	**38,515**	42,394
Dividend received	**100,000**	-	**100,000**	-
Service Industries Capital (Private) Limited - subsidiary company				
Dividend received	**37,500**	11,460	**37,500**	11,460
Dongguan Service Global Limited - subsidiary company of Service Global Footwear Limited				
Purchase of goods	**14,481**	9,246	**7,676**	4,678

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
Donations				
Service Charitable Trust	**6,475**	5,803	**3,904**	2,023
Service Foundation	**2,667**	-	**2,667**	-
Key management personnel				
Cash dividend paid	**330,702**	278,959	**330,702**	278,959
Remuneration	**139,122**	101,986	**71,652**	56,639
Meeting fee to directors - non executive	**2,625**	1,280	**1,375**	800
Other related parties				
Employees' retirement benefits	**54,166**	34,949	**28,380**	17,308
Cash dividend paid	**43,333**	37,142	**43,333**	37,142

(ii) **Period end balances**

	As at 30 June 2026 (Un-audited)		
	Subsidiary company	**Other related parties**	**Total**
	(Rupees in thousand)		
Employees retirement benefits	-	**127,576**	**127,576**
Long term financing	**2,000,000**	-	**2,000,000**

	As at 31 December 2025 (Audited)		
	Subsidiary company	Other related parties	Total
	(Rupees in thousand)		
Employees retirement benefits	-	119,762	119,762

15. 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 2025.

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

For the half year ended June 30, 2026

16. Disclosure requirement for company not engaged in shariah non-permissible Business activities as its core business activities

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in thousand)	
Description		
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	**3,905,762**	4,411,333
Interest or mark-up accrued on any conventional loan or advance	**125,857**	102,921
Long-term and short-term Shariah compliant Investments		
Long term investments	**14,014,563**	14,021,686
Short term investments	**409,290**	408,401
Shariah-compliant bank deposits, bank balances, and TDRs	**7,392**	5,857

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	(Rupees in thousand)			
Revenue earned from a Shariah-compliant business segment	**2,829,908**	3,997,290	**1,520,877**	1,542,786
Break-up of late payments or liquidated damages	-	-	-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates				
Dividend income	**1,576,232**	965,660	**776,232**	665,660
Unrealized (loss)/gain on re-measurement of investments at FVTOCI	**(5,662)**	(8,505)	**10,585**	(4,894)
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs				
Return on term deposit receipts	**14,039**	14,849	**6,315**	7,380
Exchange gain earned from actual currency	**3,772**	1,253	**2,711**	2,829
Exchange gains earned using conventional derivative financial instruments	-	-	-	-
Profit paid on islamic mode of financing	**211,677**	108,251	**192,805**	20,286
Total Interest earned on any conventional loan or advance	-	48,460	-	9,155

Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
Shariah-compliant:				
Dividend income	**1,576,232**	965,660	**776,232**	665,660
Profit on deposits with banks and TDRs	**14,039**	14,849	**6,315**	7,380
Gain on sale of property, plant and equipment	-	4,509	-	153
Scrap sales	**21,551**	13,815	**4,518**	4,265
Rental income	**132,029**	131,191	**66,069**	66,574
Net exchange gain	**3,772**	1,253	**2,711**	2,829
Commission received	**12,192**	18,000	**3,192**	9,000
Insurance claim income	**1,496**	-	**1,496**	-
Non-shariah compliant income:				
Profit on deposits with banks and TDRs	**4,071**	1,111	**1,326**	921
Gain on termination of leases	**5,853**	-	**5,853**	-
Interest on loans to related parties	-	48,460	-	9,155

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Name:	Relationship:
Faysal Bank Limited	Long term Financing, short term borrowing and bank balance
MCB Islamic Bank Limited	Short term borrowing, bank balance and term deposit receipt
The Bank of Punjab	Short term borrowing and bank balance
Meezan Bank Limited	Short term borrowing and bank balance
Dubai Islamic Bank Pakistan Limited	Short term borrowing and bank balance
BankIslami Pakistan Limited	Bank balance

Selected Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

17 Events after the reporting period

Subsequent to the reporting period but before the unconsolidated condensed interim financial statements are authorized for issue, the Company has announced a subdivision of its shares in a ratio of 10 shares for every 1 share held, reducing the nominal (face) value of each share from Rupees 10 to Rupee 1 per share and same has been approved in extraordinary general meeting of members of the Company held on 04 August 2026. As a result, the total number of issued shares has increased from 46,987,454 ordinary shares of Rupees 10 each to 469,874,540 ordinary shares of Rupee 1 each. However, the total paid-up share capital amount of the Company will remain unchanged. The share split is intended to enhance the liquidity of the Company's shares in the equity market, attract a broader investor base, and strengthen the Company's market presence. Since the share split was announced after the reporting period, it is classified as a non-adjusting event in accordance with IAS 10 "Events after the Reporting Period". Accordingly, no adjustments have been made, except for the earnings per share (EPS) figures for all periods presented in these unconsolidated condensed interim financial statements have been adjusted to reflect the revised number of shares post-split, as required under IAS 33 "Earnings per Share".

18. Date of authorization for issue

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on August 27, 2026.

19. 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.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements / reclassifications have been made.

20. General

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

Arif Saeed	Omar Saeed	Babar Ali Khan
(Chief Executive)	(Director)	(Chief Financial Officer)

Consolidated Condensed Interim Financial Statements

Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (2025: 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		**30,063,884**	22,734,951
Non-controlling interest		**26,657,090**	17,701,644
Total equity		**57,190,848**	40,906,469
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		**14,845,772**	12,352,993
Long term deposits		**180,535**	187,679
Lease liabilities		**5,612,506**	5,602,527
Employees' retirement benefit		**642,136**	641,023
Deferred liabilities		**760,589**	957,394
		22,041,538	19,741,616
CURRENT LIABILITIES			
Trade and other payables		**21,140,720**	14,670,634
Contract liabilities		**2,847,304**	1,682,670
Accrued mark-up		**614,876**	511,734
Short term borrowings		**42,304,704**	54,184,123
Current portion of non-current liabilities		**5,205,663**	5,054,292
Unclaimed dividend		**65,257**	56,065
		72,178,524	76,159,518
Total liabilities		**94,220,062**	95,901,134
Contingencies and commitments	6		
TOTAL EQUITY AND LIABILITIES		**151,410,910**	136,807,603

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

Arif Saeed
(Chief Executive)

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	7	**56,317,766**	49,223,937
Right-of-use assets		**4,250,139**	4,402,090
Intangible assets		**22,914**	26,689
Long term investments	8	**791,292**	803,654
Deferred income tax asset - net		**1,159,855**	1,365,047
Long term loans to employees		**60,294**	65,314
Long term security deposits		**275,642**	256,694
		62,877,902	56,143,425
CURRENT ASSETS			
Stores, spares and loose tools		**1,838,103**	1,261,149
Stock-in-trade		**32,256,875**	26,473,359
Trade debts		**20,950,175**	16,969,393
Loans and advances		**3,742,206**	1,097,908
Trade deposits and prepayments		**913,758**	683,456
Other receivables		**3,464,212**	3,775,049
Taxation and levy - net		**402,020**	488,172
Accrued interest		**88,323**	11,629
Short term Investments		**15,566,786**	21,423,371
Cash and bank balances		**9,310,550**	8,480,692
		88,533,008	80,664,178
TOTAL ASSETS		**151,410,910**	136,807,603

Omar Saeed
(Director)

Babar Ali Khan
(Chief Financial Officer)

Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)
For the half year ended June 30, 2026

	Note	(Un-audited) Half Year Ended June 30, 2026	June 30, 2025	(Un-audited) Quarter Ended June 30, 2026	June 30, 2025
		(Rupees in thousand)			
Continuing operations					
Revenue - net	9	**84,752,775**	70,292,205	**42,515,021**	37,772,725
Cost of sales	10	**(62,339,686)**	(54,447,485)	**(31,530,223)**	(29,360,597)
Gross profit		**22,413,089**	15,844,720	**10,984,798**	8,412,128
Distribution cost		**(5,878,057)**	(5,092,387)	**(2,833,350)**	(2,630,321)
Administrative expenses		**(2,758,680)**	(2,158,711)	**(1,570,080)**	(1,077,144)
Other expenses		**(1,157,067)**	(568,641)	**(672,429)**	(353,436)
		(9,793,804)	(7,819,739)	**(5,075,859)**	(4,060,901)
		12,619,285	8,024,981	**5,908,939**	4,351,227
Other income		**815,944**	602,966	**487,871**	301,471
Profit from operations		**13,435,229**	8,627,947	**6,396,810**	4,652,698
Finance cost		**(2,268,721)**	(3,080,935)	**(1,198,573)**	(1,544,201)
		11,166,508	5,547,012	**5,198,237**	3,108,497
Share of profit in equity accounted investee - net of taxation		**39,618**	39,666	**18,764**	19,378
Profit before levy and taxation		**11,206,126**	5,586,678	**5,217,001**	3,127,875
Levy		**(44,401)**	(71,260)	**(10,672)**	(28,940)
Profit before taxation		**11,161,725**	5,515,418	**5,206,329**	3,098,935
Taxation		**(1,470,241)**	2,328,217	**(563,709)**	3,056,663
Profit after taxation		**9,691,484**	7,843,635	**4,642,620**	6,155,598
Share of profit attributable to:					
Equity holders of the holding company		**5,789,322**	4,556,368	**2,774,161**	3,306,558
Non-controlling interest		**3,902,162**	3,287,267	**1,868,459**	2,849,040
		9,691,484	7,843,635	**4,642,620**	6,155,598
			(Restated)		(Restated)
Earnings per share - basic and diluted (Rupees)	17	**12.32**	9.70	**5.90**	7.04

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

Arif Saeed
(Chief Executive)

Omar Saeed
(Director)

Babar Ali Khan
(Chief Financial Officer)

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For the half year ended June 30, 2026

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
Profit after taxation	**9,691,484**	7,843,635	**4,642,620**	6,155,598
Other comprehensive income / (loss)				
Items that will not be reclassified to profit or loss:				
(Deficit) / Surplus arising on remeasurement of investment At fair value through other comprehensive income - net of tax	**(5,662)**	(8,505)	**10,584**	(4,894)
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign subsidiary	**1,761**	6,760	**1,196**	2,527
Other comprehensive income / (loss) for the period - net of tax	**(3,901)**	(1,745)	**11,780**	(2,367)
Total comprehensive income for the period	**9,687,583**	7,841,890	**4,654,400**	6,153,231
Share of total comprehensive income attributable to:				
Equity holders of the holding company	**5,784,900**	4,552,646	**2,785,498**	3,303,714
Non-controlling interest	**3,902,683**	3,289,244	**1,868,902**	2,849,517
	9,687,583	7,841,890	**4,654,400**	6,153,231

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

Arif Saeed
(Chief Executive)

Omar Saeed
(Director)

Babar Ali Khan
(Chief Financial Officer)

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

For the half year ended June 30, 2026

	Share capital	Capital gains	Fair value reserve FVTOCI investment	Share premium	Share of share premium reserve held by equity accounted investee	Exchange translation reserve	Reserve pursuant to the Scheme	Share options reserve	Share of employees' share compensation reserve held by equity accounted investee	Sub total	General reserve	Un-appropriated profit	Sub total	Total Reserves	Shareholders equity	Non-controlling interest	Total equity
		Attributable to the equity holders of the holding company															
		Capital reserves									Revenue reserves						
	Rupees in thousand																
Balance as at 31 December 2024 - audited	469,874	102,730	29,202	1,385,749	20,460	(73,967)	927,163	66,449	307	2,458,093	1,558,208	10,278,584	11,836,792	14,294,885	14,764,759	11,252,743	26,017,502
Transactions with owners:																	
Final dividend for the year ended 31 December 2024																	
Final dividend for the year ended 31 December 2024 @ Rupees 4 per share - Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(170,026)	(170,026)
Final dividend for the year ended 31 December 2024 @ Rupees 15 per share - Holding	-	-	-	-	-	-	-	-	-	-	-	(704,812)	(704,812)	(704,812)	(704,812)	-	(704,812)
	-	-	-	-	-	-	-	-	-	-	-	(704,812)	(704,812)	(704,812)	(704,812)	(170,026)	(874,837)
Proceeds against shares to be issued under employee's share option scheme	-	-	-	10,895	-	-	-	(3,079)	-	7,816	-	-	-	7,816	7,816	6,143	13,960
Recognition of share option reserve	-	-	-	-	-	-	-	84,750	-	84,750	-	-	-	84,750	84,750	84,804	169,554
Employee share options lapse	- -	-	-	444	-	-	-	(444)	-	-	-	-	-	-	-	-	-
Profit for the half year ended 30 June 2025	-	-	-	-	-	-	-	-	-	-	-	4,556,368	4,556,368	4,556,368	4,556,368	3,287,267	7,843,635
Other comprehensive loss for the half year ended 30 June 2025	-	-	(8,505)	-	-	4,783	-	-	-	(3,722)	-	-	-	(3,722)	(3,722)	1,977	(1,745)
Total comprehensive (loss) / income for the half year ended 30 June 2025	-	-	(8,505)	-	-	4,783	-	-	-	(3,722)	-	4,556,368	4,556,368	4,552,646	4,552,646	3,289,244	7,841,890
Balance as at 30 June 2025 - unaudited	469,874	102,730	20,697	1,397,088	20,460	(69,184)	927,163	147,676	307	2,546,937	1,558,208	14,130,141	15,688,349	18,235,286	18,705,160	14,462,909	33,168,069
Balance as at 31 December 2025 - audited	469,874	102,730	30,518	1,532,698	20,460	(1,952)	927,163	36,736	307	2,648,660	1,558,208	18,528,083	20,086,291	22,734,951	23,204,825	17,701,644	40,906,469
Transactions with owners:																	
Impact of deemed disposal of holding in Subsidiary Company	-	-	-	-	-	-	-	-	-	-	-	2,344,832	2,344,832	2,344,832	2,344,832	5,136,418	7,481,250
Ordinary shares issued to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,185	3,185
Final dividend for the year ended 31 December 2025																	
Final dividend for the year ended 31 December 2025 paid to NCI @ Rupees 2 per share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(103,203)	(103,203)
Final dividend for the year ended 31 December 2025 @ Rupees 17.5 per share - Holding Company	-	-	-	-	-	-	-	-	-	-	-	(822,280)	(822,280)	(822,280)	(822,280)	-	(822,280)
	-	-	-	-	-	-	-	-	-	-	-	(822,280)	(822,280)	(822,280)	(822,280)	(103,203)	(925,483)
Adjustment due to employees stock option scheme	-	-	-	24,148	-	-	-	(11,714)	-	12,434	-	-	-	12,434	12,434	10,161	22,595
Recognition of share options reserve	-	-	-	-	-	-	-	9,047	-	9,047	-	-	-	9,047	9,047	6,202	15,249
Employee share options lapse	-	-	-	1,119	-	-	-	(1,119)	-	-	-	-	-	-	-	-	-
Profit for the half year ended 30 June 2026	-	-	-	-	-	-	-	-	-	-	-	5,789,322	5,789,322	5,789,322	5,789,322	3,902,162	9,691,484
Other comprehensive (loss) / income for the half year ended 30 June 2026	-	-	(5,662)	-	-	1,240	-	-	-	(4,422)	-	-	-	(4,422)	(4,422)	521	(3,901)
Total comprehensive income for the half year ended 30 June 2026	-	-	(5,662)	-	-	1,240	-	-	-	(4,422)	-	5,789,322	5,789,322	5,784,900	5,784,900	3,902,683	9,687,583
Balance as at 30 June 2026 - unaudited	469,874	102,730	24,856	1,557,965	20,460	(712)	927,163	32,950	307	2,665,719	1,558,208	25,839,957	27,398,165	30,063,884	30,533,758	26,657,090	57,190,848

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

Arif Saeed
(Chief Executive)

Omar Saeed
(Director)

Babar Ali Khan
(Chief Financial Officer)

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

For the half year ended June 30, 2026

	Note	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	11	**9,869,031**	8,220,253
Finance cost paid		**(1,684,531)**	(2,288,272)
Income tax paid		**(1,221,837)**	(1,038,760)
Employees' retirement benefits paid		**(60,748)**	(14,547)
Long term loans - net		**5,020**	(2,897)
Long term deposits - net		**(18,948)**	(631)
Net cash generated from operating activities		**6,887,987**	4,875,146
Cash flows from investing activities			
Capital expenditure on operating fixed assets - net		**(8,973,481)**	(5,796,437)
Proceeds from disposal of fixed assets		**108,733**	30,821
Interest received		**48,631**	26,747
Short term investments		**6,006,930**	5,314,504
Dividend received		**44,857**	15,834
Net cash used in investing activities		**(2,764,330)**	(408,532)
Cash flows from financing activities			
Long term financing - net		**2,708,146**	3,192,291
Short term borrowings - net		**(11,879,419)**	(6,495,593)
Repayment of lease liabilities		**(707,882)**	(641,074)
Proceeds against share capital to be issued under employees' Share option scheme		**22,595**	13,960
Proceeds from shares issued by subsidiary companies to non-controlling Interests		**7,484,435**	-
Dividend paid		**(916,291)**	(870,520)
Long term deposits - net		**(7,144)**	7,500
Net cash used in financing activities		**(3,295,560)**	(4,793,436)
Effects of exchange rate changes on cash and cash equivalents		**1,761**	6,760
Net decrease in cash and cash equivalents		**829,858**	(320,062)
Cash and cash equivalents at the beginning of the period		**8,480,692**	7,960,478
Cash and cash equivalents at the end of the period		**9,310,550**	7,640,416

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

Arif Saeed	Omar Saeed	Babar Ali Khan
(Chief Executive)	(Director)	(Chief Financial Officer)

Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of:

Holding Company
- Service Industries Limited

Subsidiary Companies

- Service Global Footwear Limited
- Service Industries Capital (Private) Limited
- Service Long March Tyres Limited
- SIL Gulf FZE
- Dongguan Service Global Limited
- Service Tyres (Private) Limited
- Service Retail (Private) Limited
- SLM International Tyres Trading FZE
- Service Athletic Global Footwear (Private) Limited

Service Industries Limited
Service Industries Limited was incorporated as a private limited company on 20 March 1957 in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017), converted into a public limited company on 23 September 1959 and got listed on 27 June 1970. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activities of 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 and got listed on 28 April 2021. 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 24.99% (2025:24.99%).

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 Long March Tyres Limited
Service Long March Tyres Limited is a listed company on the Pakistan Stock Exchange Limited. It was incorporated as a private limited company on 07 January 2020 under Companies Act, 2017 (XIX of 2017), converted into a public limited company on 06 January 2026 and got listed on 15 June 2026.

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, bus, light truck and off the road tyres. Ownership interest held by non-controlling interests in Service Long March Tyres Limited – Subsidiary Company is 57.47% (2025: 55.23%).

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, buses, trucks, cars, tractors, trolleys and other vehicles. It is wholly owned subsidiary of Service Industries Limited.

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.

Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

SLM International Tyres Trading FZE
SLM International Tyres Trading FZE, incorporated on 25 July 2024, is registered as a Free Zone Establishment with limited liability in Jebel Ali Free Zone with License No. 98845966 under Jebel Ali Free Zone Regulation. The registered office address of SLM International Tyres Trading FZE is Premises No: FZJOA1001 Jebel Ali Free Zone, Dubai, United Arab Emirates. The principal activities of SLM International Tyres Trading FZE are auto spare parts and components trading, tyres and rims trading. It is wholly owned subsidiary of Service Long March Tyres Limited.

Service Athletic Global Footwear (Private) Limited
Service Athletic Global Footwear (Private) Limited is a private limited company incorporated on 07 May 2026 under the Companies Act, 2017, with its registered office located at 2- Main Gulberg, Lahore. The principal activity of the Company is manufacturing, processing, trading, selling, marketing, retailing, wholesaling, importing and exporting of all types of footwear and allied products, including footwear made from leather, rubber, canvas, rexine, synthetic, plastic and other materials. The Company has been established as a joint venture between Service Global Footwear Limited – Subsidiary Company and Golden Star Footwear Group Limited, a company incorporated and existing under the laws of Hong Kong, pursuant to a Joint Venture Agreement entered into between the two parties. Service Global Footwear Limited – Subsidiary Company holds 51% (331,500 ordinary shares of Rs. 10 each) and Golden Star Footwear Group Limited holds the remaining 49% (318,500 ordinary shares of Rs. 10 each) of the subscribed share capital and accordingly Service Athletic Global Footwear (Private) Limited is a subsidiary of Service Global Footwear Limited – Subsidiary Company. Ownership interest held by non-controlling interests in Service Athletic Global Footwear (Private) Limited– Subsidiary Company is 61.74%.

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, directives and notifications 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 condensed consolidated 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 2025.

Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

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 31 December 2025.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed consolidated 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 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 statements, 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 31 December 2025.

6. CONTINGENCIES AND COMMITMENTS

6.1 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 2025 except for the following:

6.1.1 The Additional Commissioner Inland Revenue (ACIR) initiated amendment proceedings under section 122(5A), of the Income Tax Ordinance, 2001 on 10 April 2026 against the Holding Company in respect of its deemed assessment for tax year 2020. Vide order dated 29 June 2026, the ACIR amended the said assessment and reduced the Holding Company's refundable income tax by Rupees 83.132 million. The Holding Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the aforesaid order, which is still pending adjudication.

6.1.2 Deputy Commissioner Inland Revenue (DCIR) initiated sales tax audit for the year 2013-2014 on 28 December 2017, in which demand of Rupees 102.465 million was created. The Holding Company filed appeal with Commissioner Inland Revenue (Appeals) [CIR(A)] on 18 January 2018, who confirmed the demand of Rupees 7.328 million and remanded back certain charges to the tune of Rupees 95.137 million. The Holding Company filed an appeal with Appellate Tribunal Inland Revenue (ATIR) on 14 March 2018 against the decision of CIR(A) which is pending for hearing. Furthermore on 07 September 2018, the Holding Company filed an application for stay of recovery and Honourable Lahore High Court, Lahore, granted stay in said case. Later on, the proceedings against remanded back portion were initiated by DCIR and order in this regard has been issued dated 30 June 2025 in which DCIR created the same demand of Rupees 95.137 million. The Holding Company filed appeal before CIR(A) against the decision of DCIR wherein the appeal to the tune of Rupees 87.152 million has been decided in favour of the Holding Company. ATIR vide its order dated 15 June 2026 has annulled the demand of Rupees 7.985 million for fresh consideration.

6.1.3 Deputy Commissioner Inland Revenue (DCIR) conducted income tax audit for the year 2011 in which a demand of Rupees 19.605 million was created on 30 April 2018. The Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 29 May 2018, who confirmed the demand of Rupees 12.989 million and remanded back certain charges amounting to Rupees 6.616 million by way of order dated 07 August 2020. On 07 October 2020, the Holding Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR). ATIR vide its order dated 01 June 2026 has annulled the entire demand.

6.1.4 Deputy Commissioner Inland Revenue (DCIR), concluded sales tax proceedings under section 11E of the Sales Tax Act, 1990, in respect of the matter relating to section 8B for the tax periods from January 2024 to September 2025, whereby a sales tax demand of Rupees 153.24 million was created. The Holding Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 01 June 2026, which is still pending adjudication.

6.1.5 DCIR initiated post-refund audit proceedings under Rule 36 of the Sales Tax Rules, 2006 against Service Global Footwear Limited - Subsidiary Company. The said proceedings culminated in the learned DCIR passing an assessment order dated 30 June 2026 under section 11E of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 809.555 million. In response to the order passed by the DCIR, an appeal was filed before the Honourable Appellate Tribunal Inland Revenue (ATIR). The Honourable Appellate Tribunal Inland Revenue (ATIR), vide its order dated 27 July 2026, partly allowed the Service Global Footwear Limited - Subsidiary Company's appeal by deleting the tax demand amounting to Rupees 195.159 million, while tax demand amounting to Rupees 30.322 million was upheld and tax demand amounting to Rupees 584.074 million was remanded back for fresh adjudication. The remand back proceedings are pending adjudication. The management, based on the advice of its legal counsel, is confident of a favourable outcome of the matter.

6.1.6 The Deputy Commissioner Inland Revenue (DCIR), Refund Zone, passed an order dated 20 April 2026 under Section 11E of the Sales Tax Act, 1990, whereby a demand of Rupees 1.030 million was raised against the Service Global Footwear Limited - Subsidiary Company Company without proper issuance of a show-cause notice. Aggrieved by the said order, the Service Global Footwear Limited - Subsidiary Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The appeal has not yet been fixed for hearing. The management, based on the advice of its legal counsel, is confident of a favourable outcome of the matter.

6.1.7 The Deputy Commissioner Inland Revenue (DCIR), Refund Zone, issued a show-cause notice dated 03 December 2025 under Section 11 of the Sales Tax Act, 1990, in respect of input tax amounting to Rupees 1.724 million claimed by Service Global Footwear Limited - Subsidiary Company for the tax period May 2024. Subsequently, the DCIR passed an assessment order dated 20 April 2026 under Section 11E of the Sales Tax Act, 1990, whereby the aforesaid input tax claim was disallowed. Aggrieved by the said order, the Service Global Footwear Limited - Subsidiary Company filed an appeal before the Commissioner Inland Revenue (Appeals-I) [CIR(A)], Lahore. The appeal has not yet been fixed for hearing. The management, based on the advice of its legal counsel, is confident of a favourable outcome of the matter.

Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

6.1.8 A Constitutional Petition bearing W.P. No. 1387 of 2026 was filed by Service Long March Tyres Limited - Subsidiary Company before the Honourable Islamabad High Court challenging the levy and recovery of the Grid (Captive Power Plants) Levy under the Off the Grid (Captive Power Plants) Levy Act, 2025. the Honourable Islamabad High Court has granted an interim stay against the recovery of levy and the matter is currently pending adjudication before the Court. Although Service Long March Tyres Limited - Subsidiary Company's legal council is of the view that the case is likely to be decided in favour of the subsidiary company. Service Long March Tyres Limited - Subsidiary Company has recognised a provision of Rupees 43.69 million in these consolidated financial statements for the disputed levy as a matter of prudence, pending the final outcome of the litigation.

6.1.9 A Constitutional Petition C.P No. 4294/2021 was filed by Service Long March Tyres Limited - Subsidiary Company on 26 July 2021 to challenge the levy of Sindh Infrastructure Development Cess. On 31 August 2021, the Supreme Court of Pakistan has suspended the judgement passed by the Sindh High Court and stayed the encashment of bank guarantees. As at 30 June 2026, amount involved in the matter is Rupees 1,039.8 million (31 December 2025: Rupees 1,055 million) against which bank guarantee had been submitted as security with the Collectorate. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of Service Long March Tyres Limited - Subsidiary Company, hence no provision is made in these Consolidated financial statements.

6.1.10 Infrastructure cess imposed by the Province of Sindh under the Sindh Finance Act, 1994 and its subsequent amendments, including the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Holding Company and Service Global Footwear Limited - Subsidiary Company filed a writ petition before the Sindh High Court, (the Court) which granted a stay order subject to the furnishing of bank guarantees in favour of the Director Excise and Taxation, Karachi. Subsequently, the Court through its order dated 4 June 2021, directed encashment of the bank guarantees. Being aggrieved, the Holding Company and Service Global Footwear Limited - Subsidiary Company, filed petition for leave to appeal before the Supreme Court of Pakistan. By its order dated 01 September 2021, the Supreme Court of Pakistan granted leave to appeal, restrained the Sindh Government from encashing the bank guarantees furnished pursuant to the interim orders of the Court and directed the release of future consignments against submission of bank guarantees for the disputed amounts.

Following the establishment of the Federal Constitutional Court of Pakistan under the Twenty-Seventh Constitutional Amendment, all pending appeals, including the Company's appeal, were transferred to Federal Constitutional Court of Pakistan. By order dated 23 February 2026, the Federal Constitutional Court of Pakistan granted interim injunctive relief by directing that fresh consignments be released upon furnishing undertakings and post-dated cheques. The matter is currently pending adjudication.

The Government of Sindh enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 ("Amendment Act"), which has been gazetted on 23 February 2026. The Amendment Act introduced concessionary cess rates for future consignments for entities entering into a settlement agreement by either paying the outstanding cess liability in a single lump sum on or before 15 July 2026 or in 51 instalments. Execution of the settlement agreement is subject to unconditional withdrawal of all pending litigation and waiver of all claims against the Government of Sindh.

The Holding Company, Service Global Footwear Limited - Subsidiary, Service Long March Tyres Limited - Subsidiary Company, Service Tyres (Private) Limited - Subsidiary Company and Service Retail (Private)

Limited - Subsidiary Company have filed a constitutional petition before the Court seeking a declaration that entities having pending litigation, including appeals before the Federal Constitutional Court of Pakistan on the subject matter, should not be subjected to discriminatory or disadvantageous treatment. The petition also seeks to restrain the Government of Sindh and its officers from taking any coercive action, including encashment of bank guarantees and post-dated cheques furnished in respect of the levy. Based on the advice of legal counsel, the management of the respective Companies believes a favourable outcome of the matter.

6.1.11 The Holding Company has issued cross corporate guarantees of Rupees Nil (31 December 2025: Rupees 9,000 million) on behalf of Service Long March Tyres (Private) Limited - Subsidiary Company to secure the obligations of subsidiary company towards its lenders. During the period, the aforesaid guarantees amounting to Rupees 9,000 million have been fully released and, accordingly, no such obligation subsists as at the reporting date.

6.1.12 The Service Global Footwear Limited - Subsidiary Company is availing Export Facilitation Scheme (EFS) License issued by Collector of Custom, Lahore with a face value of Rupees 3,360 million (31 December 2025: Rupees 2,750 million) for the duty and tax free imports of plant, machinery, equipment, component parts, raw material, packing material and accessories. The said limit was allowed by Collector of Customs, Lahore after securing a post dated cheque of Rupees 3,360 million (31 December 2025: Rupees 2,750 million) from the Subsidiary Company.

6.1.13 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 109.224 million (31 December 2025: Rupees 117.942 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.

6.1.14 Guarantees issued in ordinary course of business through banks are of Rupees 5,160.430 million (31 December 2025: Rupees 5,640.166 million).

6.2 Commitments

6.2.1 Contracts for capital expenditure are approximately of Rupees 2,885.719 million (31 December 2025: Rupees 5,818.950 million).

6.2.2 Letters of credit other than capital expenditure are of Rupees 3,729.647 million (31 December 2025: Rupees 4,989.555 million).

6.2.3 Outstanding foreign currency forward contracts are of Rupees 1,700.013 million (31 December 2025: 3,650.841 million).

Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			(Rupees in thousand)	
7.	**Fixed assets**			
	Operating fixed assets	7.1	**53,295,087**	45,388,517
	Capital work-in-progress	7.3	**3,022,679**	3,835,420
			56,317,766	49,223,937
7.1	**Operating fixed assets**			
	Opening net book value		**45,388,517**	40,160,220
	Add: Additions during the period / year	7.2	**9,785,912**	8,724,228
			55,174,429	48,884,448
	Less: Disposals during the period / year (at book value)	7.2	**(114,158)**	(131,480)
			55,060,271	48,752,968
	Currency retranslation		**316**	540
			55,060,587	48,753,508
	Less: Depreciation charged during the period / year		**(1,765,500)**	(3,364,991)
			53,295,087	45,388,517

7.2 Following is the detail of additions and disposals during the period:

	Additions		Disposals - NBV	
	(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in thousand)			
Leasehold land	**446,625**	-	**-**	-
Building on leasehold land	**1,452,969**	430,434	**-**	-
Building on freehold land	**152,947**	332,467	**-**	637
Plant and machinery	**7,124,699**	6,198,706	**10,229**	10,957
Furniture, fixture and fittings	**38,988**	84,342	**7,004**	1,297
Vehicles	**312,001**	455,774	**77,791**	72,982
Service equipments	**148,770**	1,089,394	**11,524**	29,244
Leasehold improvements	**108,913**	133,111	**7,610**	16,363
	9,785,912	8,724,228	**114,158**	131,480

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			(Rupees in thousand)	
7.3	**Capital work-in-progress**			
	Buildings on freehold land		**986,815**	796,257
	Buildings on leasehold land		**56,339**	1,190,767
	Plant and machinery		**1,266,237**	1,527,480
	Furniture, fixture and fittings		**40,854**	8,968
	Leasehold improvements		-	26,627
	Service equipment		**453,569**	131,746
	Advances against purchase of vehicles		**31,291**	73,040
	Advance against capital expenditure		**187,574**	80,535
			3,022,679	3,835,420
8.	**Long term investments**			
	Investment in associate (with significant influence) - under equity method	8.1	**741,948**	747,187
	Investment in joint ventures - at cost	8.2	-	-
	Other investment - at FVTOCI	8.3	**49,344**	56,467
			791,292	803,654

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

	June 30, 2026	December 31, 2025
Speed (Private) Limited		
263,909 (31 December 2025: 263,909) fully paid ordinary shares of Rupees 100 each	**342,526**	342,526
Share of post acquisition reserve		
As at the beginning of the period / year	**404,661**	338,928
Share of post acquisition profit for the period / year	**39,618**	113,233
Dividend received	**(44,857)**	(47,500)
	399,422	404,661
	741,948	747,187
JOMO Technologies (Private) Limited		
46,666,667 (31 December 2025: 46,666,667) fully paid ordinary shares of Rupees 1 each	**80,000**	80,000
As at the beginning of the period / year	**(80,000)**	(80,000)
Share of post acquisition profit for the period / year	**-**	-
Share of other comprehensive loss - net of tax	**-**	-
	(80,000)	(80,000)
	-	-
	741,948	747,187

Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in thousand)	

8.2 Investment in joint ventures - at cost

S2 Power Limited		
24,000 (31 December 2025: 24,000) fully paid ordinary shares of Rupees 10 each	**240**	240
S2 Hydro Limited		
24,000 (31 December 2025: 24,000) fully paid ordinary shares of Rupees 10 each	**240**	240
Impairment loss recognized against investments	**(480)**	(480)
	-	-

8.3 Other investment - at FVTOCI

TRG Pakistan Limited		
775,000 (31 December 2025: 775,000) fully paid ordinary shares of Rupees 10 each	**17,089**	17,089
Fair value adjustment	**32,255**	39,378
	49,344	56,467

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
9. Revenue - net				
Sales of footwear - net				
Export sales	**8,047,783**	9,472,213	**4,094,334**	4,713,661
Local sales	**9,969,150**	9,360,649	**4,091,858**	4,168,502
	18,016,933	18,832,862	**8,186,192**	8,882,163
Sales of tyres - net				
Export sales	**12,029,019**	11,402,988	**5,483,263**	6,252,717
Local sales	**52,398,978**	38,169,753	**27,552,312**	21,654,839
	64,427,997	49,572,741	**33,035,575**	27,907,556
Sales of technical rubber products - net				
Local sales	**281,640**	6,808	**256,370**	(414)
Sales of spare parts for automobiles - net				
Export sales	**11,486**	5,680	**-**	-
Local sales	**2,014,719**	1,874,114	**1,036,884**	983,420
	2,026,205	1,879,794	**1,036,884**	983,420
	84,752,775	70,292,205	**42,515,021**	37,772,725

		(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
		(Rupees in thousand)			
10.	**Cost of sales**				
	Raw materials consumed	**46,198,616**	40,740,654	**24,429,344**	20,525,354
	Salaries, wages and other benefits	**5,356,305**	4,437,575	**2,681,783**	2,248,772
	Stores and spares consumed	**496,969**	620,520	**251,927**	308,764
	Packing materials consumed	**1,115,046**	1,113,379	**594,405**	534,265
	Fuel and power	**2,849,063**	2,366,920	**1,447,516**	1,141,036
	Insurance	**129,552**	79,048	**101,181**	37,937
	Travelling	**93,197**	88,911	**57,642**	47,279
	Repair and maintenance	**355,194**	212,547	**274,735**	101,619
	Entertainment	**18,582**	15,978	**8,771**	9,476
	Depreciation	**1,403,244**	1,342,913	**656,046**	702,160
	Provision for slow moving and obsolete inventory	**42,325**	5,937	**23,913**	(17,380)
	Other manufacturing charges	**332,480**	1,004,218	**(22,139)**	505,896
		58,390,573	52,028,600	**30,505,124**	26,145,178
	Work-in-process:				
	Movement in work in process	**(1,091,034)**	(608,013)	**(322,986)**	58,203
	Cost of goods manufactured	**57,299,539**	51,420,587	**30,182,138**	26,203,381
	Finished Goods:				
	Movement in finished goods	**5,040,147**	3,026,898	**1,348,085**	3,157,216
		62,339,686	54,447,485	**31,530,223**	29,360,597

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

For the half year ended June 30, 2026

	Note	(Un-audited) Half Year Ended June 30, 2026	June 30, 2025
		(Rupees in thousand)	
11. Cash generated from operations			
Profit before taxation and levy		**11,206,126**	5,586,678
Adjustments for non-cash charges and other items:			
Depreciation and amortisation		**2,160,801**	2,028,611
Provision for gratuity		**61,861**	65,704
Finance cost		**2,268,721**	2,885,385
Amortisation of deferred income		**(223,984)**	(262,424)
Provision for workers' profit participation fund		**206,681**	121,378
Interest on workers' profit participation fund		**8,657**	10,040
Provision for workers' welfare fund		**173,990**	99,775
Provision for slow moving and obsolete inventory		**45,222**	7,866
Employee share option expense		**15,249**	169,554
Allowance for expected credit losses		**102,926**	60,602
(Gain) / loss on termination of lease		**(17,742)**	(24,171)
Profit on saving accounts and term deposit receipts		**(275,670)**	(83,237)
Loss / (gain) on disposal of fixed assets		**5,425**	14,221
Exchange loss		**44,706**	29,731
Debit balance written off		**-**	17,201
Share of profit in equity accounted investee		**(39,618)**	(39,666)
Working capital changes	11.1	**(5,874,320)**	(2,466,995)
		9,869,031	8,220,253

11.1 Working capital changes

	June 30, 2026	June 30, 2025
Increase in current assets:		
Stores, spares and loose tools	**(576,954)**	(122,649)
Stock-in-trade	**(5,828,738)**	(445,606)
Trade debts	**(4,191,031)**	(3,535,891)
Loans, advances, trade deposits, prepayments and other receivables	**(2,501,146)**	(361,661)
	(13,097,869)	(4,465,807)
Increase in current liabilities:		
Trade and other payables	**6,058,914**	1,468,453
Contract liabilities	**1,164,634**	530,359
	(5,874,320)	(2,466,995)

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

For the half year ended June 30, 2026

12. 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)	
	Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)							
Sales								
- Export	**8,047,783**	9,472,213	**12,029,019**	11,402,988	**11,486**	5,680	**20,088,288**	20,880,881
- Local	**9,969,150**	9,360,649	**52,398,978**	38,169,753	**2,296,359**	1,880,922	**64,664,487**	49,411,324
	18,016,933	18,832,862	**64,427,997**	49,572,741	**2,307,845**	1,886,602	**84,752,775**	70,292,205
Cost of sales	**(11,851,228)**	(12,913,626)	**(48,380,879)**	(39,895,056)	**(2,107,579)**	(1,638,803)	**(62,339,686)**	(54,447,485)
Gross profit	**6,165,705**	5,919,236	**16,047,118**	9,677,685	**200,266**	247,799	**22,413,089**	15,844,720
Distribution cost	**(3,002,911)**	(3,180,355)	**(2,766,501)**	(1,819,606)	**(108,645)**	(92,426)	**(5,878,057)**	(5,092,387)
Administrative expenses	**(1,335,288)**	(1,172,310)	**(1,361,933)**	(937,617)	**(61,459)**	(48,784)	**(2,758,680)**	(2,158,711)
	(4,338,199)	(4,352,665)	**(4,128,434)**	(2,757,223)	**(170,104)**	(141,210)	**(8,636,737)**	(7,251,097)
Profit before levy and taxation and unallocated income and expenses	**1,827,506**	1,566,571	**11,918,683**	6,920,462	**30,163**	106,589	**13,776,352**	8,593,622
Unallocated income and expenses:								
Other expenses							**(1,157,067)**	(568,641)
Other income							**815,944**	602,966
Finance cost							**(2,268,721)**	(3,080,935)
Share of net profit of associate accounted for using the equity method							**39,618**	39,666
Levy							**(44,401)**	(71,260)
Taxation							**(1,470,241)**	2,328,217
Profit after taxation							**9,691,484**	7,843,635

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

For the half year ended June 30, 2026

12.1 Reconciliation of reportable segment assets and liabilities

	Footwear		Tyre		Others		Total - Company	
	(Un-audited) June 30, 2026	(Audited) December 31, 2025	**(Un-audited) June 30, 2026**	(Audited) December 31, 2025	**(Un-audited) June 30, 2026**	(Audited) December 31, 2025	**(Un-audited) June 30, 2026**	(Audited) December 31, 2025
	(Rupees in thousand)							
Total assets for reportable segment	**22,918,796**	21,657,725	**89,949,779**	71,689,600	**3,574,567**	2,695,514	**116,443,142**	96,042,839
Unallocated assets:								
Right-of-use assets							**4,250,139**	4,402,090
Intangible assets							**22,914**	26,689
Long term investments							**791,292**	803,654
Deferred income tax asset - net							**1,159,855**	1,365,047
Other receivables							**3,464,212**	3,775,049
Taxation and levy - net							**402,020**	488,172
Short term investments							**15,566,786**	21,423,371
Cash and bank balances							**9,310,550**	8,480,692
Total assets as per consolidated statement of financial position							**151,410,910**	136,807,603
Total liabilities for reportable segment	**13,159,047**	13,455,979	**17,180,877**	9,588,133	**663,368**	326,292	**31,003,292**	23,370,404
Unallocated liabilities:								
Long term financing							**19,113,459**	16,405,314
Deferred liabilities							**1,183,731**	1,429,559
Accrued mark-up							**614,876**	511,734
Short term borrowings							**42,304,704**	54,184,123
Total liabilities as per consolidated statement of financial position							**94,220,062**	95,901,134

13. Recognized fair value measurements - financial instruments

(i) Fair value hierarchy

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

Recurring fair value measurements At 30 June 2026 (Un-audited)	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Financial assets				
Financial asset at fair value through profit or loss	**2,000,000**	**-**	**-**	**2,000,000**
Financial assets at fair value through other comprehensive income	**49,344**	**-**	**-**	**49,344**
Derivative financial assets	**-**	**62,617**	**-**	**62,617**
Total financial assets	**2,049,344**	**62,617**	**-**	**2,111,961**

Recurring fair value measurements At 31 December 2025 (Audited)	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Financial assets				
Financial assets at fair value through other comprehensive income	56,467	-	-	56,467
Financial assets at fair value through profit or loss	19,251,189	-	-	19,251,189
Derivative financial assets	-	5,508	-	5,508
Total financial assets	19,307,656	5,508	-	19,313,164

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

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

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

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

Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

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.

14. 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) Half Year Ended		**(Un-audited) Quarter Ended**	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
Associated companies				
Sale of goods	**543,784**	95,105	**316,959**	30,236
Donations made	**124,424**	66,367	**95,146**	32,683
Purchase of goods	**419,048**	318,630	**322,061**	162,506
Key management personnel				
Cash dividend paid	**330,702**	278,959	**330,702**	278,959
Remuneration	**139,122**	101,986	**71,652**	56,639
Meeting fee to directors - non executive	**2,625**	1,280	**1,375**	800
Other related parties				
Employees' retirement benefits	**394,859**	344,293	**249,452**	173,397
Cash dividend paid	**43,333**	37,142	**43,333**	37,142

(ii) Period end balances

	As at 30 June 2026 (Un-audited)		
	Associated companies	**Other related parties**	**Total**
	(Rupees in thousand)		
Contract liabilities	**1,607,780**	-	**1,607,780**
Employee benefit plans	-	**803,000**	**803,000**

	As at 31 December 2025 (Audited)		
	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Employee benefit plans	-	805,606	805,606
Trade debts	1,860	-	1,860

Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

15. Disclosure requirement for company not engaged in shariah non-permissible business activities as its core business activities

Description	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in thousand)	
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	**29,698,858**	28,771,266
Interest or mark-up accrued on any conventional loan or advance	**376,829**	284,955
Long-term and short-term Shariah compliant Investments	**1,466,666**	803,654
Shariah-compliant bank deposits, bank balances, and TDRs	**359,051**	893,276

	Note	(Un-audited) Half Year Ended June 30, 2026	June 30, 2025	(Un-audited) Quarter Ended June 30, 2026	June 30, 2025
		(Rupees in thousand)			
Revenue earned from a Shariah-compliant business segment	9	**84,752,775**	70,292,205	**42,515,021**	37,772,725
Break-up of late payments or liquidated damages		**-**	-	**-**	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates					
Unrealized (loss)/gain on re-measurement of investments at FVTOCI		**(5,662)**	(8,505)	**10,585**	(4,894)
Share of profit from associates		**39,618**	39,666	**18,764**	19,378
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs					
Profit on deposits with banks		**-**	3,735	**-**	1,867
Return on term deposit receipts		**22,793**	24,468	**10,759**	12,314
Exchange gain earned from actual currency		**86,089**	102,290	**42,235**	68,106
Exchange gains earned using conventional derivative financial instruments		**62,617**	-	**62,617**	-
Profit paid on islamic mode of financing		**615,094**	726,370	**377,964**	238,121
Total Interest earned on any conventional loan or advance		**-**	-	**-**	-

Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income

	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in thousand)			
Shariah-compliant:				
Profit on deposits with banks and TDRs	**22,793**	15,310	**10,759**	12,314
Gain on sale of property, plant and equipment	**5,767**	4,796	**3,724**	391
Scrap sales	**111,188**	130,555	**50,606**	51,044
Net exchange gain	**86,089**	51,769	**20,483**	42,845
Insurance claim income	**1,496**	-	**1,496**	-
Amortisation of deferred income - Govt Grant	**66,339**	74,441	**33,580**	36,968
Miscelleneous	**14,259**	19,912	**11,725**	8,800
Non-shariah compliant income:				
Profit on deposits with banks and TDRs	**269,952**	94,011	**204,643**	36,443
Amortisation of deferred income - Govt Grant	**157,645**	187,983	**82,329**	112,647
Gain on termination of leases	**17,742**	24,171	**5,853**	-
Reversal of allowance for expected credit losses	**57**	18	**57**	18
Unrealised exchange gain on forward contracts	**62,617**	-	**62,616**	-

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Name	Relationship
Faysal Bank Limited	Long term Financing, short term borrowing and bank balance
MCB Islamic Bank Limited	Short term borrowing, bank balance and term deposit receipt
The Bank of Punjab (Taqwa Islamic Banking)	Long term financing, short term borrowing and bank balance
Meezan Bank Limited	Long term financing, short term borrowing and bank balance
Dubai Islamic Bank (Pakistan) Limited	Short term borrowing and bank balance
BankIslami Pakistan Limited	Short term borrowing and bank balance
The Bank of Khyber	Short term borrowing and bank balance
Standard Chartered Bank (Pakistan) Limited	Short term borrowing and bank balance
Al Baraka Bank (Pakistan) Limited	Bank balance
National Bank of Pakistan	Short term borrowing and bank balance

Selected Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2026

16. 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 consolidated condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual audited consolidated financial statements as at December 31, 2025.

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

17. Events after the reporting date

Subsequent to the reporting period but before the consolidated condensed interim financial statements are authorized for issue, the Holding Company has announced a subdivision of its shares in a ratio of 10 shares for every 1 share held, reducing the nominal (face) value of each share from Rupees 10 to Rupee 1 per share and same has been approved in extraordinary general meeting of members of the Holding Company held on 04 August 2026. As a result, the total number of issued shares has increased from 46,987,454 ordinary shares of Rupees 10 each to 469,874,540 ordinary shares of Rupee 1 each. However, the total paid-up share capital amount of the Holding Company will remain unchanged. The share split is intended to enhance the liquidity of the Holding Company's shares in the equity market, attract a broader investor base, and strengthen the Holding Company's market presence. Since the share split was announced after the reporting period, it is classified as a non-adjusting event in accordance with IAS 10 "Events after the Reporting Period". Accordingly, no adjustments have been made, except for the earnings per share (EPS) figures for all periods presented in these consolidated condensed interim financial statements have been adjusted to reflect the revised number of shares post-split, as required under IAS 33 "Earnings per Share".

18. Date of authorization for issue

These financial statements were authorized for issue on August 27, 2026 by the Board of Directors of the Company.

19. 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. However, no significant rearrangements / reclassifications have been made.

20. General

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

Arif Saeed	Omar Saeed	Babar Ali Khan
(Chief Executive)	(Director)	(Chief Financial Officer)

مستقبل کی آؤٹ لک

عالمی معیشت 2026 کی دوسری ششماہی میں غیر پائیدار صورتحال کے ساتھ داخل ہو رہی ہے، جہاں مختلف خطوں میں معاشی ترقی کی رفتار میں فرق اور جغرافیائی سیاسی خطرات بدستور اجناس کی منڈیوں پر اثرانداز ہو رہے ہیں۔ بین الاقوامی مالیاتی فنڈ کے مطابق 2026 میں عالمی معاشی نمو 3.0 فیصد رہنے کی توقع ہے، جو 2027 میں بڑھ کر 3.4 فیصد تک پہنچ سکتی ہے۔ دوسری جانب، عالمی افراطِ زر کی اوسط شرح 2026 میں 4.7 فیصد رہنے کی توقع ہے، جو 2025 میں 4.1 فیصد تھی، کیونکہ توانائی کے بحران کے دیر سے ظاہر ہونے والے اثرات بتدریج ترسیل کے ذریعے معیشت میں منتقل ہو رہے ہیں۔ خام تیل کی قیمت، جو مشرقِ وسطیٰ میں کشیدگی کے باعث مارچ 2026 میں 118 امریکی ڈالر فی بیرل کی بلند ترین سطح تک پہنچ گئی تھی، بعد ازاں کم ہو کر تقریباً 90 امریکی ڈالر فی بیرل رہی۔ ابھرتی ہوئی اور ترقی پذیر معیشتوں کی شرحِ نمو 2026 میں 3.6 فیصد رہنے کی توقع ہے، جو مختلف علاقائی منڈیوں میں طلب کے نسبتاً سازگار ماحول کی نشاندہی کرتی ہے۔
ملکی سطح پر معاشی استحکام کا عمل جاری رہا۔ مالی سال 2026 میں اب تک عمومی افراطِ زر کی اوسط شرح 7.1 فیصد رہی، تاہم جون 2026 میں 11.1 فیصد کی شرح اب بھی قیمتوں پر موجود دباؤ کی نشاندہی کرتی ہے۔ اسٹیٹ بینک آف پاکستان نے جولائی 2026 کے آخر تک شرح سود 11.5 فیصد پر برقرار رکھا۔ جولائی تا مئی مالی سال 2026 کے دوران بڑی صنعتی پیداوار میں 5.8 فیصد اضافہ ہوا۔ بیرونِ ملک مقیم پاکستانیوں کی ترسیلاتِ زر 8.6 فیصد بڑھ کر 41.6 ارب امریکی ڈالر تک پہنچ گئیں، جبکہ آئی ٹی کی برآمدات 20.6 فیصد اضافے کے ساتھ ریکارڈ 4.6 ارب امریکی ڈالر تک پہنچ گئیں۔ مالیاتی خسارہ کم ہو کر مجموعی ملکی پیداوار کے 1.6 فیصد تک رہ گیا، جبکہ زرمبادلہ کے ذخائر 22.7 ارب امریکی ڈالر رہے، جن میں سے 17.3 ارب امریکی ڈالر اسٹیٹ بینک آف پاکستان کے پاس موجود تھے۔

مستقبل کے معاشی منظرنامے کا انحصار اس بات پر ہے کہ موجودہ بہتری کس حد تک پائیدار ثابت ہوتی ہے۔ ایس اینڈ پی گلوبل ریٹنگز کی جانب سے پاکستان کی خودمختار قرضہ جاتی درجہ بندی کو 'بی مائنس' سے بڑھا کر 'بی' کرنا بڑھتے ہوئے اعتماد کی عکاسی کرتا ہے۔ اسی طرح، امریکہ اور ایران کے درمیان تنازع کے حل کی جانب پیش رفت سے افراطِ زر کے دباؤ میں کمی آ سکتی ہے اور شرح سود کے ایک ہندسے میں آنے کی گنجائش پیدا ہو سکتی ہے۔ شرحِ سود میں کمی سے کاروباری اداروں کے قرض لینے کی لاگت کم ہوگی اور معاشی سرگرمیوں کو فروغ ملے گا۔ مشرقِ وسطیٰ میں مزید معمول کے حالات پیدا ہونے سے تیل کی قیمتوں میں خطرے کے اضافی اثرات بھی کم ہو سکتے ہیں، جس کے نتیجے میں درآمدی بل میں کمی، زرمبادلہ کے ذخائر میں بہتری اور روپے کی قدر میں استحکام پیدا ہو سکتا ہے۔ اس کے برعکس، خام تیل کی قیمتوں میں دوبارہ اتار چڑھاؤ کھاد، مال برداری اور زرعی اجناس کی قیمتوں میں اضافہ کر سکتا ہے، جس سے درآمدات پر انحصار کرنے والے اور قیمتوں کے حوالے سے حساس شعبوں پر دباؤ برقرار رہ سکتا ہے۔ درمیانی مدت میں مجموعی ملکی پیداوار کی 4.0 فیصد شرحِ نمو کا ہدف مسلسل مالیاتی نظم و ضبط اور اصلاحات پر عمل درآمد سے مشروط رہے گا۔

کمپنی لاگت پر مضبوط کنٹرول برقرار رکھے ہوئے ہے۔ بلند خام مال کی قیمتوں، توانائی کے نرخوں اور مالیاتی اخراجات کے باعث پیدا ہونے والے مشکل پیداواری ماحول کے باوجود، کمپنی آپریشنل کارکردگی میں بہتری، لاگت پر سخت کنٹرول اور رسد کے مزید متنوع نظام پر مسلسل توجہ مرکوز کیے ہوئے ہے۔ حکمتِ عملی میں منافع کے مارجن کے تحفظ کے لیے قیمتوں کے تعین میں نظم و ضبط اور محتاط مالیاتی انتظام کو بنیادی اہمیت دی جا رہی ہے، تاہم اس بات کا بھی خیال رکھا جا رہا ہے کہ قیمتوں میں ایسا اضافہ نہ ہو جو کمپنی کو مارکیٹ میں مسابقت سے باہر کر دے۔ مصنوعات، جغرافیائی منڈیوں اور کاروباری شعبوں کی وسیع تر رینج میں آمدنی کو تقسیم کر کے کمپنی کسی ایک منڈی یا اجناس کی قیمتوں میں اتار چڑھاؤ سے اپنے خطرے کو کم کر رہی ہے۔ اسی طرح، سرمائے کی منظم اور دانشمندانہ تخصیص پائیدار بنیادوں پر قدر میں اضافے کو یقینی بنانے میں معاون ثابت ہوگی۔

اظہار اعتراف

ڈائریکٹرز اپنے تمام شیئر ہولڈرز کے تہہ دل سے شکر گزار ہیں۔ جنھوں نے ہمیشہ کمپنی پر 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 جنھوں نے ہمیشہ ہمارا ساتھ دیا۔ ہم سال بھر بہترین نتائج فراہم کرنے کے لئے پر اعتماد ہیں۔

منجانب بورڈ

عارف سعید
چیف ایگزیکٹو

عمر سعید
ڈائریکٹر

27 اگست 2026
لاہور

مزید برآں، سروس لانگ مارچ ٹائرز لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 17 اگست 2026 کو منعقدہ اپنے اجلاس میں 0.83 روپے فی شیئر کے حتمی نقد ڈیویڈنڈ کی سفارش کی ہے، جس کی منظوری سالانہ جنرل میٹنگ میں شیئر ہولڈرز سے متوقع ہے۔ اس ڈیویڈنڈ کی منظوری کی صورت میں کمپنی کی ڈیویڈنڈ آمدنی میں 1,314 ملین روپے کا اضافہ متوقع ہے، جو اگلی سہ ماہی میں ظاہر کیا جائے گا۔

مجموعی مالی کارکردگی کی نمایاں جھلکیاں

30 جون 2026 کو ختم ہونے والی ششماہی کے دوران، گروپ نے مجموعی طور پر شاندار کارکردگی کا مظاہرہ کیا۔ خالص آمدنی 21 فیصد اضافے کے ساتھ 84.8 ارب روپے تک پہنچ گئی، جبکہ گزشتہ سال کی اسی مدت میں یہ 70.29 ارب روپے تھی۔ مجموعی منافع بھی 41 فیصد بڑھ کر 22.41 ارب روپے ہو گیا، جو گزشتہ سال 15.84 ارب روپے تھا۔ آپریٹنگ منافع میں 56 فیصد اضافہ ہوا اور یہ 13.4 ارب روپے تک پہنچ گیا، جبکہ گزشتہ سال یہ 8.6 ارب روپے تھا۔ لیوی اور ٹیکس سے قبل منافع 101 فیصد کے نمایاں اضافے کے ساتھ 11.2 ارب روپے ہو گیا، جو گزشتہ سال 5.59 ارب روپے تھا۔ اس بہتری کی بنیادی وجوہات میں مجموعی منافع کے مارجن میں اضافہ، گروپ کی مجموعی سطح پر آپریٹنگ لیوریج میں بہتری اور فنانس لاگت میں کمی شامل ہیں۔ ٹیکس کے بعد خالص منافع بھی 24 فیصد اضافے کے ساتھ 9.69 ارب روپے رہا، جبکہ گزشتہ سال کی اسی مدت میں یہ 7.84 ارب روپے تھا۔ اس کے نتیجے میں فی شیئر آمدنی 12.32 روپے رہی، جو 2025 میں 9.70 روپے تھی۔

30 جون 2026 کو ختم ہونے والی ششماہی کے دوران گروپ کی مجموعی کارکردگی میں کلیدی کاروباری شعبوں کی نمایاں شراکت درج ذیل ہے:

ٹائر شعبہ

ٹائرز شعبہ نے آمدنی کے حوالے سے شاندار نمو کا مظاہرہ کیا، جہاں خالص فروخت 30 فیصد اضافے کے ساتھ 64.4 ارب روپے تک پہنچ گئی، جبکہ گزشتہ سال یہ 49.6 ارب روپے تھی۔ فروخت میں اس نمایاں اضافے کو مؤثر اور منظم قیمتوں کے تعین کے طریقۂ کار اور آپریشنل کارکردگی میں بہتری سے تقویت ملی، جس کے نتیجے میں مجموعی منافع بھی نمایاں طور پر بڑھ کر 16.0 ارب روپے ہو گیا، جو گزشتہ سال 9.7 ارب روپے تھا۔ زیادہ پیداوار اور مجموعی منافع کے بہتر مارجن سے حاصل ہونے والے فوائد کے ساتھ ساتھ، یہ شعبہ ٹیکنالوجی اور نئی مصنوعات کی تیاری میں بھی وسائل صرف کر رہا ہے، جس سے مستقبل میں مزید توسیع اور ترقی کے لیے مضبوط بنیاد فراہم ہو رہی ہے۔

سروِس گروپ نے اس سال کے دوران اپنے ٹائرز کے کاروباری شعبے میں تین اہم پیش رفتیں کیں۔ سروس لانگ مارچ ٹائرز لمیٹڈ نے پاکستان اسٹاک ایکسچینج میں کامیابی کے ساتھ اندراج مکمل کیا، جس کے ذریعے ابتدائی عوامی پیشکش کے بعد جاری شدہ حصص کے 5 فیصد حصص کی فروخت سے 7.77 ارب روپے حاصل کیے گئے۔ حاصل ہونے والی رقم مسافر گاڑیوں کے ریڈیل ٹائرز کے منصوبے کے لیے مختص کی گئی ہے، جس پر پیشکش کے دستاویزات میں کیے گئے وعدوں کے مطابق پیش رفت جاری ہے۔ دورانِ مدت، کمپنی نے ٹرک اور بسوں کے ریڈیل ٹائرز کی پیداواری صلاحیت میں بھی 25 فیصد اضافہ کیا، جو سالانہ 1.6 ملین ٹائروں سے بڑھ کر 2.0 ملین ٹائرز ہو گئی۔ مزید برآں، سروس ٹائرز (پرائیویٹ) لمیٹڈ نے ٹائرز کے کاروبار میں مزید توسیع کے مواقع تلاش کرنے کے لیے اپنی مکمل ملکیتی ذیلی کمپنی، سروس ٹائرز انٹرنیشنل (پرائیویٹ) لمیٹڈ، قائم کی۔

فٹ ویئر شعبہ

جوتوں کے شعبے کی خالص فروخت گزشتہ سال کے 18.8 ارب روپے کے مقابلے میں 4 فیصد معمولی کمی کے ساتھ 18.0 ارب روپے رہی۔ اس کی بنیادی وجہ برآمدی فروخت میں 15 فیصد کمی تھی، جس کی تلافی مقامی خوردہ کاروبار میں ہونے والی نمو نے جزوی طور پر کی۔ تاہم، محتاط خریداری اور لاگت پر سخت کنٹرول کے باعث مجموعی منافع بڑھ کر 6.2 ارب روپے ہو گیا، جو گزشتہ سال 5.9 ارب روپے تھا۔ برانڈز کو مزید مضبوط بنانے، صارفین کی تعداد میں اضافے اور آپریشنل کارکردگی میں بہتری کے ذریعے شعبہ اپنی نمو کی رفتار برقرار رکھنے پر توجہ مرکوز کیے ہوئے ہے۔

2026 کی پہلی ششماہی میں برآمدی جوتوں کے شعبے کو امریکی ٹیرف میں تبدیلیوں کے نتیجے میں خریداروں کی جانب سے اضافی ذخیرے میں کمی، جبکہ امریکہ اور یورپ میں خوردہ طلب میں کمی کا سامنا رہا۔ اس صورتحال کے باعث آرڈرز کی مدت مختصر ہوئی، تاہم حتمی صارفین کی طلب میں نمایاں کمی واقع نہیں ہوئی۔ حوصلہ افزا امر یہ ہے کہ اہم گاہکوں نے اپنی پیداوار بڑھا دی ہے اور نئے آرڈرز دوبارہ موصول ہونا شروع ہو گئے ہیں۔ دریں اثنا، مشترکہ منصوبے سروس ایتھلیٹک گلوبل فٹ ویئر (پرائیویٹ) لمیٹڈ میں آزمائشی پیداوار اور افرادی قوت کی تربیت کا عمل جاری ہے تاکہ مصنوعات کے معیار کو بین الاقوامی معیار کے مطابق بنایا جا سکے۔ برآمدی جوتوں کا شعبہ آنے والے عرصے میں فروخت میں بتدریج بحالی اور لاگت پر منظم کنٹرول کے ذریعے منافع کے مارجن کو برقرار رکھنے کی توقع رکھتا ہے۔

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

ڈائریکٹران کا جائزہ

سروس انڈسٹریز لمیٹڈ ("SIL" یا "کمپنی") کے ڈائریکٹرز اپنی جائزہ رپورٹ بمعہ 30 جون 2026 کو ختم ہونے والے ششماہی کے غیر آڈٹ شدہ غیر مجموعی اور مجموعی مختصر مالی بیانات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کمپنی کی بنیادی سرگرمیاں

کمپنی بنیادی طور پر ایک سرمایہ کاری ہولڈنگ کمپنی کے طور پر کام کرتی ہے، اپنے ذیلی اداروں کے ذریعے متعدد شعبوں میں حکمت عملی سے متنوع پورٹ فولیو کو برقرار رکھتی ہے۔ اس کے آپریشنز میں ٹائروں، 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 کے لیے ایک ملکی سطح پر ریٹیل 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 7 میں پیش کی گئی ہے جو اس رپورٹ کے ساتھ منسلک ہے۔

مالی کارکردگی

مندرجہ ذیل جدول 30 جون 2026 کو ختم ہونے والے ششماہی کے اہم مالی نکات کا موازنہ گزشتہ سال کی اسی مدت سے کرتا ہے:

تفصیلات	غیر مجموعی			مجموعی		
	جون 30, 2026 روپے، ہزار میں	جون 30, 2025 روپے، ہزار میں	فیصد تبدیلی	جون 30, 2026 روپے، ہزار میں	جون 30, 2025 روپے، ہزار میں	فیصد تبدیلی
خالص فروخت	**2,829,908**	3,997,290	**(29%)**	**84,752,775**	70,292,205	**21%**
مجموعی منافع	**439,473**	485,773	**(10%)**	**22,413,089**	15,844,720	**41%**
ڈیویڈنڈ آمدنی	**1,576,232**	965,660	**63%**	-	-	-
آپریٹنگ منافع	**1,587,406**	1,181,640	**34%**	**13,435,229**	8,627,947	**56%**
منافع قبل از لیوی اور ٹیکس	**1,030,395**	461,629	**123%**	**11,206,126**	5,586,678	**101%**
منافع بعد از ٹیکس	**856,642**	334,502	**156%**	**9,691,484**	7,843,635	**24%**
فی شیئر آمدنی (روپے)	**1.82**	0.71	**156%**	**12.32**	9.70	**27%**

*رپورٹنگ کی تاریخ کے بعد، کمپنی کے حصص یافتگان نے 04 اگست 2026 کو منعقدہ غیر معمولی جنرل اجلاس میں کمپنی کے عام حصص کو 10 کے مقابلے میں 1 کے تناسب سے تقسیم کرنے کی منظوری دی، جس کے نتیجے میں فی شیئر قیمت 10 روپے سے کم ہو کر 1 روپیہ رہ گئی۔ چنانچہ بین الاقوامی مالیاتی رپورٹنگ معیارات کے مطابق، اوپر پیش کردہ تمام ادوار کی فی شیئر آمدنی کو حصص کی نظرثانی شدہ تعداد کے مطابق دوبارہ بیان کیا گیا ہے۔ اگر عام حصص کی تقسیم کو نافذ نہ کیا جاتا تو 30 جون 2026 کو ختم ہونے والی ششماہی کے لیے فی شیئر آمدنی غیر مجموعی بنیاد پر 18.2 روپے (2025: 7.1 روپے) اور مجموعی بنیاد پر 123.2 روپے (2025: 97.0 روپے) ہوتی۔

غیر مجموعی مالی کارکردگی کی نمایاں جھلکیاں

30 جون 2026 کو ختم ہونے والی ششماہی کے دوران، کمپنی نے غیر مجموعی بنیاد پر 1,587 ملین روپے کا آپریٹنگ منافع حاصل کیا، جو گزشتہ سال کی اسی مدت میں 1,182 ملین روپے تھا۔ ٹیکس کے بعد خالص منافع بھی نمایاں اضافے کے ساتھ 857 ملین روپے تک پہنچ گیا، جبکہ گزشتہ سال کی اسی مدت میں یہ 335 ملین روپے رہا تھا۔ منافع میں اس نمایاں بہتری کی بنیادی وجوہات میں منسلک کمپنیوں سے حاصل ہونے والی ڈیویڈنڈ آمدنی میں اضافہ اور سرمایہ کی لاگت میں کمی شامل ہیں۔

ذیلی کمپنیز سے ڈیویڈنڈ کی آمدنی

30 جون 2026 کو ختم ہونے والی ششماہی کے دوران، سروس انڈسٹریز لمیٹڈ (SIL) نے اپنی ذیلی کمپنیوں سے 1,576 ملین روپے کی ڈیویڈنڈ آمدنی حاصل کی، جبکہ گزشتہ سال کی اسی مدت میں یہ آمدنی 966 ملین روپے تھی۔ اس آمدنی میں سروس ٹائرز (پرائیویٹ) لمیٹڈ سے حاصل ہونے والے 1,129 ملین روپے (2025: 300 ملین روپے)، سروس گلوبل فٹ ویئر لمیٹڈ سے 310 ملین روپے (2025: 654 ملین روپے)، سروس ریٹیل (پرائیویٹ) لمیٹڈ سے 100 ملین روپے (2025: صفر) اور سروس انڈسٹریز کیپیٹل (پرائیویٹ) لمیٹڈ سے 37 ملین روپے (2025: 12 ملین روپے) شامل ہیں۔

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