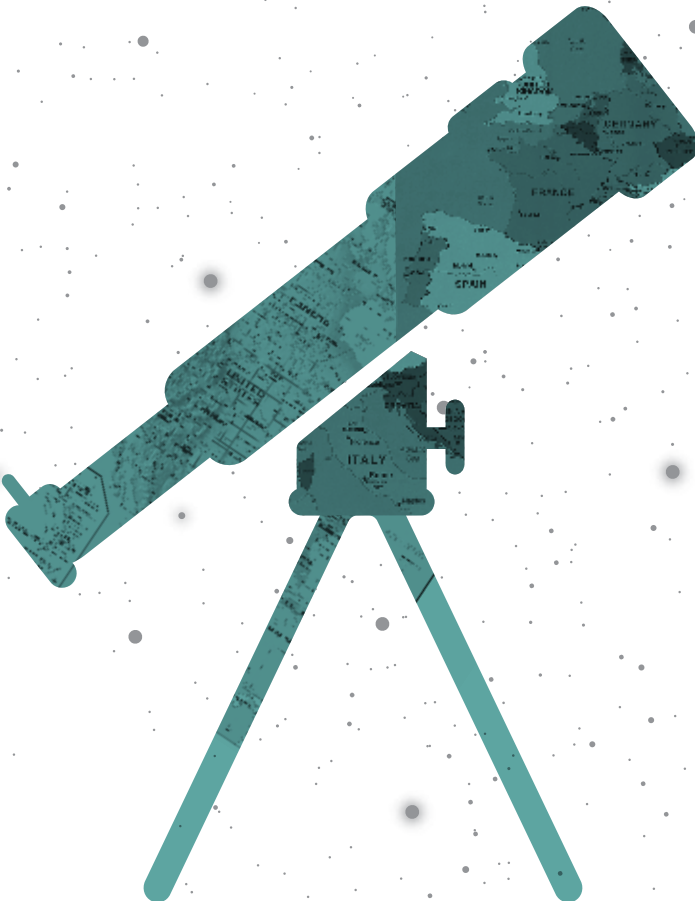


REACHING NEW FRONTIERS



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Company Information

Board of Directors

Mr. Arif Saeed

Chairman / Non-Executive Director

Mr. Hassan Javed

Chief Executive Officer /
Executive Director

Chaudhry Ahmed Javed

Non-Executive Director

Mr. Omar Saeed

Non-Executive Director

Mr. Azmat Ali Ranjha

Independent Director

Mr. Abdul Rashid Lone

Independent Director

Ms. Maleeha Humayun Bangash

Independent Director

Mr. Hassan Ehsan Cheema

Executive Director

Mr. Qadeer Ahmed Vaseer

Executive Director

Chief Financial Officer

Mr. Usman Liaqat

Company Secretary

Mr. Waheed Ashraf

Audit Committee

Mr. Abdul Rashid Lone

Chairman

Mr. Omar Saeed

Member

Ms. Maleeha Humayun Bangash

Member

Human Resource and Remuneration Committee

Mr. Azmat Ali Ranjha

Chairman

Mr. Hassan Javed

Member

Mr. Omar Saeed

Member

Bankers

MCB Bank Limited
Habib Bank Limited
Faysal Bank Limited
Soneri Bank Limited
Allied Bank Limited
Askari Bank Limited
Meezan Bank Limited
MCB Islamic Bank Limited
Habib Metropolitan Bank
Standard Chartered Bank (Pakistan)
Limited
Samba Bank Limited
Bank Al Habib Limited
Dubai Islamic Bank Limited
Bank Islami Pakistan Limited
Bank of Punjab - Islamic
United Bank Limited

Auditors

M/s. Riaz Ahmad & Company,
Chartered Accountants

Legal Advisor

Muhammad Ashfaq,
Advocate High Court,
of M/s. Bokhari Aziz & Karim
2-A, Block-G, Gulberg-II, Lahore.

Registered Office

Servis House,
2-Main Gulberg, Lahore-54662.
Tel: +92-42-35751990-96
Fax: +92-42-35710593

"Let the
boundlessness be
your boundary!"

- Mehmet Murat ildan

Shares Registrar

M/s. Corplink (Pvt.) Limited
Wings Arcade, 1-K
Commercial, Model Town, Lahore
Tel: +92-42- 35916719,
35839182
Fax: +92-42-35869037

Pakistan Stock Exchange Limited
Stock Exchange Symbol **SGF**

Factory

10-KM Muridke, Sheikhpura Road,
Muridke

Web Presence

www.serviceglobalfootwear.com

Directors' Report to the Shareholders

The Directors take pleasure in presenting their Report along with the condensed interim financial information of Service Global Footwear Limited ("SGFL") for the nine months ended 30 September 2024.

Key Performance Indicators (KPIs)

Please find below key performance indicators of condensed interim financial statements of SGFL for the nine months ended 30 September 2024.

Particulars	Nine Months Ended		
	September 30, 2024 "000"	September 30, 2023 "000"	Percentage Change
Net Sales	12,951,499	11,939,546	8.48%
Gross Profit	2,179,219	2,637,188	-17.37%
Profit before tax	1,236,298	1,177,488	4.99%
Profit after tax	817,314	791,960	3.20%
Earnings per share	3.97	3.86	2.85%

In the nine-month period ending 30 September 2024, SGFL has recorded an 8% growth in sales, reaching Rs. 12.95 billion compared to Rs. 11.94 billion in the same period last year. However, we faced significant challenges that impacted our overall performance. Gross Profit Margin decreased by 17.37% year-on-year, reflecting the tough economic environment affecting exporters and manufacturing units across the country.

Key factors contributing to this decline include:

- **Rising Costs and inflation:** Increase in electricity costs and wages have added significant pressure on our operational expenses.
- **Appreciation of Pak Rupees:** The appreciation of the Pak Rupees against Dollar has significantly impacted our competitiveness in export market.
- **Competitive Export Markets:** Export market is tough. Two rising conflicts in the World has led to enhanced challenges for the export market. Consumer's spending has declined putting pressure on pricing.

SGFL's strategic decision to invest in Service Long March Tyres (SLM) has proven highly beneficial, contributing to a share of profit amounting to Rs. 944 million. The Company made a further investment of Rs. 286 million in SLM. This investment would further expand the production capacity of the associated company and derive profitable business.

Consequently, the company's profit before tax increased from Rs. 1,177 million to Rs. 1,236 million in the nine months period ended on September 2024 reflecting a growth of 5%. SGFL's net profit after tax comes to Rs. 817 million, compared to Rs. 792 million during the same period last year.

Future outlook

This Year global economy faced a complex and evolving landscape marked by a mix of challenges and gradual recovery. Inflation is gradually coming down from 6.80% (2023) to 5.90% projected (2024) mainly on account of energy prices going down. This has resulted in more policy cuts from Central Banks in recent months both in Europe and US. Same trend is being seen in Pakistan as well. Geopolitical dynamics are significantly impacting the global economy, with ongoing conflicts and tensions in two regions. Supply chain still remains a major concern with the increase in shipping costs and lead times. At the same time, US elections have become a great interest for many countries specially China and related countries on account of trade policies and strategic interests. This might significantly change the future investment pattern and Pakistan could become one of its beneficiaries if there is a serious trade policy disagreement between US and China post US elections. Global economic growth will remain subdued at 3.20% (2024) similar like last year number of 3.3% which is lowest in last two decades. The future trade outlook faces several risks, including weaker global demand, escalating geopolitical tensions, and potential disruptions in maritime transport.

Pakistan economy has shown some stabilization this year on account of reduced inflation and current account deficit, stable currency and increase in foreign remittances. Pakistan has been able to secure a new 37 months program of Extended Fund Facility (EFF) amounting to \$7 billion. This will give some stability to our liquidity for next 3 years. However, some of the ongoing discussions and conditions attached to this program are very tough for business environment in Pakistan. These challenges include withdrawal of Export Facilitation Scheme (EFS) for local suppliers, increase in taxation due to change of Tax regime for exporters from Fixed tax regime to Normal tax regime, increase in energy prices, markup rates linked with inflation, continuous increase in wage costs and withdrawal of all kind of incentives for exporters. Being a manufacturer in Pakistan, SGFL will struggle to balance these rising costs with the need to remain price competitive on the other side. This will result in straining operating margins across all manufacturing industries.

In this tough business environment, where pressure on gross margins will remain high, SGFL sees a window of opportunity behind geo-political sourcing shift post US elections as explained above. Since the footwear industry is heavily concentrated in China, any shift of footwear business from China to other countries will benefit SGFL and SGFL is well positioned to gain by bringing new customers for increase in our sales. This should result in better absorption of overheads and technological lead in manufacturing in short to mid-term, creating much bigger impact in mid to long-term sales and profits. Foreseeing this set of opportunities, SGFL has already started working on next expansion plan.

Acknowledgment

The Directors would like to express our deep appreciation to our shareholders who have consistently demonstrated their trust in the Company.

We are also thankful to our customers, suppliers and bankers for their continuing commitment to the Company

For and on behalf of the Board



Arif Saeed
(Chairman)



Hassan Javed
(Chief Executive)

October 28, 2024
Lahore.

Unconsolidated Condensed Interim Financial Statements



Unconsolidated Condensed Interim Statement of Financial Position (Un-audited)

As at September 30, 2024

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
250,000,000 (31 December 2023: 250,000,000) ordinary shares of Rupees 10 each	2,500,000	2,500,000
Issued, subscribed and paid-up share capital		
206,056,400 (31 December 2023: 205,917,500) ordinary shares of of Rupees 10 each	2,060,564	2,059,175
Reserves	4,855,901	4,441,668
Total equity	6,916,465	6,500,843
LIABILITIES		
Non-current liabilities		
Long term financing - secured	4 273,899	310,565
Employees' retirement benefit	216,772	216,104
Deferred liabilities	207,498	67,093
	698,169	593,762
Current liabilities		
Trade and other payables	2,649,740	2,734,702
Accrued mark-up	55,504	169,111
Short term borrowings	6,785,166	8,282,347
Current portion of non-current liabilities	59,543	51,799
Dividend payable	-	617,753
Unclaimed dividend	5,578	4,944
	9,555,531	11,860,656
Total liabilities	10,253,700	12,454,418
Contingencies and commitments 5		
TOTAL EQUITY AND LIABILITIES	17,170,165	18,955,261

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



Hassan Javed
(Chief Executive)

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	6	2,987,177	3,067,982
Long term security deposits		11,111	11,057
Long term loans to employees		5,269	8,367
Long term investments	7	3,632,206	2,780,856
Long term loan to Holding Company		350,000	750,000
		6,985,763	6,618,262
Current assets			
Stores, spares and loose tools		156,564	123,493
Stock in trade		3,964,027	4,554,136
Trade debts		2,989,241	1,710,366
Loans and advances		905,858	1,457,205
Accrued mark-up		191	5,357
Short term deposits and prepayments		24,781	8,316
Other receivables		1,524,390	1,441,511
Advance income tax and prepaid levy - net		103,120	133,565
Cash and bank balances		516,230	2,903,050
		10,184,402	12,336,999
TOTAL ASSETS		17,170,165	18,955,261



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

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

For the nine months ended September 30, 2024

	Note	(Un-audited)		(Un-audited)	
		NINE MONTHS ENDED		QUARTER ENDED	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(Rupees in thousand)					
Revenue	8	12,951,499	11,939,546	4,664,740	4,526,038
Cost of sales	9	(10,772,280)	(9,302,358)	(3,850,393)	(3,485,249)
Gross profit		2,179,219	2,637,188	814,347	1,040,789
Distribution cost		(993,740)	(923,294)	(413,597)	(384,753)
Administrative expenses		(554,150)	(473,216)	(203,012)	(175,977)
Other expenses		(4,302)	(60,894)	18,398	(21,308)
		(1,552,192)	(1,457,404)	(598,211)	(582,038)
		627,027	1,179,784	216,136	458,751
Other Income		206,742	581,737	58,169	151,452
Profit from operations		833,769	1,761,521	274,305	610,203
Finance cost		(541,781)	(796,521)	(172,586)	(292,179)
		291,988	965,000	101,719	318,024
Share of profit of equity accounted investee - net of taxation		944,310	212,488	351,986	169,893
Profit before taxation and levy		1,236,298	1,177,488	453,705	487,917
Levy		(99,856)	(187,706)	(51,200)	(60,461)
Profit before taxation		1,136,442	989,782	402,505	427,456
Taxation		(319,128)	(197,822)	(45,867)	(70,826)
Profit after taxation		817,314	791,960	356,638	356,630
EARNINGS PER SHARE - BASIC (RUPEES)		3.97	3.86	1.73	1.73
EARNINGS PER SHARE - DILUTED (RUPEES)		3.95	3.84	1.72	1.73

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

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

For the nine months ended September 30, 2024

	(Un-audited)		(Un-audited)	
	NINE MONTHS ENDED		QUARTER ENDED	
	September	September	September	September
	30, 2024	30, 2023	30, 2024	30, 2023
	(Rupees in thousand)			
PROFIT AFTER TAXATION	817,314	791,960	356,638	356,630
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	817,314	791,960	356,638	356,630

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

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

For the nine months ended September 30, 2024

	Reserves						Total Equity	
	Share Capital	Share Capital To Be Issued	Capital Reserve		Revenue Reserve			Total
			Reserve for issuance of bonus shares	Share premium	Share options reserve	Un-appropriated profit		
	Rupees in thousand							
Balance as at 31 December 2022 - audited	2,050,875	-	1,390,684	1,687,997	25,031	1,009,937	4,113,649	6,164,524
Transactions with owners:								
Final dividend for the year ended 31 December 2022 @ Rupees 1 per share	-	8,300	-	-	-	(205,088)	(205,088)	(205,088)
Proceeds against shares to be issued under Employees Stock Option Scheme	-	(8,300)	-	-	-	-	-	8,300
Issuance of share capital under employee stock option scheme	8,300	-	24,500	-	(24,500)	-	-	-
Employee share options lapsed	-	-	531	-	(531)	-	-	-
Recognition of share options reserve	-	-	-	25,031	15,863	(205,088)	(189,225)	15,863
	8,300	-	-	-	(9,166)	791,960	791,960	(180,925)
Profit for the period ended 30 September 2023	-	-	-	-	-	791,960	791,960	791,960
Other comprehensive income for the period ended 30 September 2023	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended 30 September 2023	-	-	-	-	-	791,960	791,960	791,960
Balance as at 30 September 2023 - un-audited	2,059,175	-	1,390,684	1,713,028	15,863	1,596,809	4,716,384	6,775,559
Balance as at 31 December 2023 - audited	2,059,175	-	1,390,684	1,713,028	895	1,337,061	4,441,668	6,500,843
Transactions with owners:								
Final dividend for the year ended 31 December 2023 @ Rupees 2 per share	-	1,389	-	-	(406)	(411,835)	(411,835)	(411,835)
Proceeds against shares to be issued under Employee's Stock Option Scheme	-	(1,389)	-	3,184	-	-	2,778	4,167
Issuance of share capital under employee stock option scheme	1,389	-	-	109	(109)	-	-	-
Employee share options lapsed	-	-	-	-	5,976	-	-	-
Recognition of share options reserve	-	-	-	3,293	5,461	(411,835)	(403,081)	5,976
	1,389	-	-	-	-	817,314	817,314	(401,692)
Profit for the period ended 30 September 2024	-	-	-	-	-	-	-	817,314
Other comprehensive income for the period ended 30 September 2024	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended 30 September 2024	-	-	-	-	-	817,314	817,314	817,314
Balance as at 30 September 2024 - un-audited	2,060,564	-	1,390,684	1,716,321	6,356	1,742,340	4,855,901	6,916,465

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

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

For the nine months ended September 30, 2024

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
Note	(Rupees in thousand)	
Cash flows from operating activities		
Cash generated from operations	10 533,233	1,128,413
Finance cost paid	(655,388)	(752,996)
Income tax and levy paid	(248,134)	(198,988)
Workers' profit participation fund paid	(34,803)	(18,883)
Workers' welfare fund paid	(993)	-
Staff retirement benefit paid	(39,311)	(6,448)
Long term loans to employees - net	6,460	3,495
Long term security deposits - net	3,246	(750)
Net cash (used in) / from operating activities	(435,690)	153,843
Cash flows from investing activities		
Capital expenditure on fixed assets	(141,481)	(594,724)
Proceeds from disposal of fixed assets	12,874	5,542
Loan given to Service Industries Limited - Holding Company	(2,408,000)	(9,764,491)
Loan repayment from Service Industries Limited - Holding Company	2,953,000	9,167,318
Profit on bank deposits received	23,681	471
Mark-up received on loan to Service Industries Limited - Holding Company	66,726	411,463
Dividend received from associated company	379,360	-
Long term investment made	(286,400)	(89,167)
Net cash from / (used in) investing activities	599,760	(863,588)
Cash flows from financing activities		
Repayment of long term financing	(28,922)	(27,063)
Short term borrowings - net	(1,497,181)	1,336,372
Proceeds against share capital to be issued under Employee's Stock option scheme	4,167	8,300
Dividend paid	(1,028,954)	(204,789)
Net cash (used in) / from financing activities	(2,550,890)	1,112,820
Net (decrease) / increase in cash and cash equivalents	(2,386,820)	403,075
Cash and cash equivalents at the beginning of the period	2,903,050	161,620
Cash and cash equivalents at the end of the period	516,230	564,695

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

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

For the nine months ended September 30, 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 Service Global Footwear Limited (the Company) was incorporated as a public limited Company on 19 July 2019 in Pakistan under the Companies Act, 2017 and got listed on 28 April 2021. The shares of the company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is located at 2 - Main Gulberg, Lahore. The principal activities of the Company are manufacturing, sale, marketing, import and export of footwear, leather and allied products. The Company is the subsidiary of Service Industries Limited.

2. BASIS OF PREPARATION

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

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

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

2.2 These 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 2023. These condensed interim financial statements are un-audited.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual financial statements of the Company for the year ended 31 December 2023.

3.1 Critical accounting estimates and judgments

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

During preparation of these condensed interim financial statements, the significant judgments made by

the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 31 December 2023.

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in thousand)	
4 LONG TERM FINANCING - SECURED		
Opening balance	362,364	401,814
Less: Repaid during the period / year	(28,922)	(39,450)
	333,442	362,364
Less: Current portion shown under current liabilities	(59,543)	(51,799)
	273,899	310,565

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2023 except for the following:

- 5.1.1** The Deputy Commissioner Inland Revenue (DCIR) initiated the proceedings under section 4C of the Income Tax Ordinance, 2001 through a show cause notice dated 28 February 2024. The Company stance was adequately explained to the tax authorities through online reply dated 13 May 2024, filed on Federal Board of Revenue's 'IRIS' portal. Following the submissions of Company reply the DCIR passed an order dated 24 June 2024 raising an income tax demands of Rupees 113.195 million on account of super tax. The Company has contested this order before the Appellate Tribunal Inland Revenue (ATIR) on 23 July 2024. The Company has already made the provision of Rupees 98.692 million. The management, based on advice of the legal counsel, is confident of favourable outcome of this matter.
- 5.1.2** Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 859.186 million (31 December 2023: Rupees 1,180.514 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. The Company is availing Export Facilitation Scheme (EFS) License issued by Collector of Custom, Lahore with a face value of Rupees 2,750 million (31 December 2023: Rupees 2,000 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 2,750 million (31 December 2023: Rupees 2,000 million) from the Company.

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

For the nine months ended September 30, 2024

5.2 Commitments

- 5.2.1** Letters of credit other than capital expenditure are of Rupees 504.730 million (31 December 2023: Rupees 504.628 million).
- 5.2.2** Contracts for capital expenditure are approximately of Rupees 4.490 million (31 December 2023: Rupees 35.851 million).
- 5.2.3** Outstanding foreign currency forward contracts are of Rupees 5,436.617 million (31 December 2023: Rupees 3,194.370 million).
- 5.2.4** The Company has obtained vehicles under ijarah arrangements from Bank Al Habib Limited for a period of four years, ijarah rentals are payable on monthly basis respectively. Future monthly Ujrah payments under Ijarah are as follows:

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note	(Rupees in thousand)	
Not later than one year	8,708	10,926
Later than one year and not later than five years	-	5,977
	8,708	16,903

6 FIXED ASSETS

Operating fixed assets	6.1	2,898,111	2,967,697
Capital work-in-progress	6.2	89,066	100,285
		2,987,177	3,067,982

6.1 Operating fixed assets

Opening net book value		2,967,697	2,321,674
Add: Cost of additions during the period / year	6.1.1	152,700	895,340
Less: Book value of deletions during the period / year	6.1.2	(11,164)	(5,411)
Less: Depreciation charged during the period / year		(211,122)	(243,906)
Closing net book value		2,898,111	2,967,697

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)
6.1.1 Cost of additions during the period / year		
Buildings on freehold land	32,304	438,036
Plant and machinery	65,521	131,194
Furniture, fixture and fittings	6,812	3,852
Vehicles	19,275	180,501
Service equipment	28,788	141,757
	152,700	895,340
6.1.2 Book value of deletions during the period / year		
Cost of deletions:		
Plant and machinery	685	5,198
Furniture, fixture and fittings	20	-
Vehicle	16,250	6,242
Service equipment	3,416	1,701
	20,371	13,141
Less: Accumulated depreciation	(9,207)	(7,730)
Book value of deletions during the period / year	11,164	5,411
6.2 Capital work-in-progress		
Buildings on freehold land	67,342	35,632
Plant and machinery	18,463	41,325
Service equipment	2,846	16,496
Furniture, fixture and fittings	415	173
Vehicles	-	6,659
	89,066	100,285
7 LONG TERM INVESTMENTS		
Investment in subsidiary company - at cost	7.1 89,167	89,167
Investment in associate (with significant influence) - under equity method	7.2 3,543,039	2,691,689
	3,632,206	2,780,856
7.1 Investment in subsidiary company - at cost		
Dongguan Service Global Limited		
Equity held 100% (31 December 2023: 100%)	89,167	89,167

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

For the nine months ended September 30, 2024

(Un-audited) (Audited)
September December
30, 2024 31, 2023
(Rupees in thousand)

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

Service Long March Tyres (Private) Limited - un-quoted

270,971,704 (31 December 2023: 242,331,650) fully paid ordinary shares of Rupees 10 each

Equity held: 18.91% (31 December 2023: 18.91%) **2,720,975** 2,434,575

As at the beginning of the period / year

257,114 (216,925)

Add: Share of post acquisition profit for the period / year

944,310 474,039

Less: Dividend received during the period / year

(379,360) -

822,064 257,114

3,543,039 2,691,689

(Un-audited)		(Un-audited)	
NINE MONTHS ENDED		QUARTER ENDED	
September	September	September	September
30, 2024	30, 2023	30, 2024	30, 2023
(Rupees in thousand)			

8 REVENUE

Revenue from contracts with customers:

Export sales **12,535,977** 11,740,021 **4,559,704** 4,439,764

Local sales **415,522** 199,525 **105,036** 86,274

12,951,499 11,939,546 **4,664,740** 4,526,038

	Un-audited		Un-audited	
	NINE MONTHS ENDED		QUARTER ENDED	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	(Rupees in thousand)			
9 COST OF SALES				
Raw materials consumed	6,073,176	5,031,323	2,095,226	1,793,612
Salaries, wages and other benefits	2,611,970	2,203,088	942,641	813,517
Stores and spares consumed	260,555	376,198	121,541	130,149
Packing materials consumed	701,854	613,917	276,702	241,835
Fuel and power	300,818	241,127	106,189	110,252
Insurance	18,290	14,095	6,217	5,260
Travelling and conveyance	46,564	40,208	13,778	14,960
Repair and maintenance	41,527	30,883	13,663	11,864
Entertainment	554	751	29	27
Depreciation	186,877	158,168	63,970	57,204
Rent, rates and taxes	-	642	-	214
Reversal of provision for slow moving and obsolete inventory	(14,573)	(26,805)	(3,707)	(272)
Other manufacturing charges	78,281	132,131	17,579	24,164
	10,305,893	8,815,726	3,653,828	3,202,786
Movement in work in process	56,802	(16,840)	102,094	64,401
Cost of goods manufactured	10,362,695	8,798,886	3,755,922	3,267,187
Movement in finished goods	409,585	503,472	94,471	218,062
	10,772,280	9,302,358	3,850,393	3,485,249

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

For the nine months ended September 30, 2024

		Un-audited	
		NINE MONTHS ENDED	
		September 30, 2024	September 30, 2023
		(Rupees in thousand)	
10	CASH GENERATED FROM OPERATIONS	Note	
	Profit before taxation and levy		1,236,298
	Adjustments for non-cash charges and other items:		1,177,488
	Depreciation		211,122
	Provision for gratuity		39,979
	Finance cost		541,781
	Gain on disposal of operating fixed assets		(1,710)
	Provision for workers' profit participation fund		-
	Interest on workers' profit participation fund		1,245
	Provision for workers' welfare fund		4,302
	Reversal of provision for slow moving and obsolete inventory		(14,573)
	Interest on bank deposits		(18,323)
	Employee's share option expense		5,976
	Share of profit of equity accounted investee - net of taxation		(944,310)
	Interest on loan to Holding Company		(66,917)
	Working capital changes	10.1	(461,637)
			533,233
			1,128,413
10.1	Working capital changes		
	Decrease / (increase) in current assets:		
	Stores, spares and loose tools		(18,498)
	Stock in trade		590,109
	Trade debts		(1,278,875)
	Loans and advances		402,985
	Short term deposits and prepayments		(19,765)
	Other receivables		(82,879)
			(406,923)
			(1,992,794)
	(Decrease) / increase in trade and other payables		(54,714)
			(461,637)
			(477,227)

11 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized 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 September 2024 - Un-audited	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

(Rupees in thousand)

Financial assets

Derivative financial assets	-	47,042	-	47,042
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Recurring fair value measurements At 31 December 2023-(Audited)	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial liabilities

Derivative financial liabilities	-	443	-	443
----------------------------------	---	-----	---	-----

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 year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize 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 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 Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the nine months ended September 30, 2024

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 value techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

12 TRANSACTIONS WITH RELATED PARTIES

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

(i) Transactions:

Nature of relationship	Nature of transactions	Un-audited NINE MONTHS ENDED		Un-audited QUARTER ENDED		
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	
		(Rupees in thousand)				
Holding company						
Service Industries Limited	Sale of goods	253,787	233,793	47,928	91,820	
	Purchase of goods	382,443	299,091	196,612	109,579	
	Purchase of fixed assets	6,275	-	-	-	
	Loan given	2,408,000	9,764,491	2,278,000	6,334,494	
	Loan repaid	2,953,000	9,167,318	1,923,000	6,230,500	
	Expenses charged	174,900	200,282	61,049	72,328	
	Interest income	66,917	416,872	24,190	181,122	
	Processing charges	17,290	105,642	-	53,795	
	Dividend paid	817,750	163,550	-	-	
Subsidiary company of the Holding company						
Service Tyres (Private) Limited	Sale of goods	6,189	-	-	-	

(i) Transactions:

Nature of relationship	Nature of transactions	Un-audited NINE MONTHS ENDED		Un-audited QUARTER ENDED	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(Rupees in thousand)					
Associated company					
Service Long March Tyres (Private) Limited	Dividend received	379,360	-	379,360	-
Subsidiary company of the Holding Company					
Service Retail (Private) Limited	Sale of goods	124,019	-	56,144	-
Associated company					
Jomo Technologies (Private) Limited	Sale of goods	-	3,035	-	-
	Purchase of goods	-	15,134	-	15,134
Subsidiary company of the Holding Company					
SIL Gulf (FZE)	Purchase of goods	-	74,124	-	7,732
	Purchase of machinery	-	44,321	-	44,321
Subsidiary company					
Dongguan Service Global Limited	Investment made	-	89,167	-	-
	Purchase of goods	931,754	107,392	489,654	107,392
Key management personnel					
Remuneration		139,230	100,692	49,492	29,243
Meeting fee to directors - non executive		1,040	1,600	322	400
Cash dividend paid		16,876	2,688	-	-
Proceeds against shares issued under Employee's Stock Option Scheme		1,350	5,215	-	-
464,450 options granted under Employee's Stock Option Scheme as on 01 January 2024 (As on 01 January 2023: 260,000 options)		-	-	-	-
Other related parties					
Post employment benefit plans		140,101	118,715	47,031	43,151

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

For the nine months ended September 30, 2024

(ii) Period end balances

	As at September 30, 2024 (Un-audited)			
	Holding company	Subsidiary company	Other related parties	Total
	(Rupees in thousand)			
Employees' retirement benefits payable	-	-	252,306	252,306
Trade and other payables	27,158	99,563	469	127,190
Accrued mark-up	191	-	-	191
Loans and advances receivable	705,000	-	13,924	718,924

	As at December 31, 2023 (Audited)			
	Holding company	Subsidiary company	Other related parties	Total
	(Rupees in thousand)			
Employees' retirement benefit	-	-	247,385	247,385
Trade debts	11,471	-	-	11,471
Trade and other payables	8,199	169,707	6,912	184,818
Loans and advances receivable	1,250,000	-	-	1,250,000

13 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2023.

14 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 28 October 2024.

15 CORRESPONDING FIGURES

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

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

16 GENERAL

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

Consolidated Condensed Interim Financial Statements



Group Directors' Report to the Shareholders

The Directors take pleasure in presenting their Report along with the Consolidated Condensed Interim Financial Statements of the Service Global Footwear Limited ("the Holding Company") and its subsidiary for the period ended 30 September 2024.

The Group comprises of Service Global Footwear Limited and Dongguan Service Global Limited, wholly owned subsidiary company of Service Global Footwear Limited.

Service Global Footwear Limited

Service Global Footwear Limited was incorporated as a public limited company on 19 July 2019 in Pakistan under the Companies Act, 2017. The principal activities of the Company are manufacturing, sale, marketing, import and export of footwear, leather and allied products. The Director Report providing a commentary on the performance of Service Global Footwear Limited for the period ended 30 September 2024 has been presented in its separate report.

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 the Holding Company. The Holding Company wholly owns Dongguan Service Global Limited.

For and on behalf of the Board



Arif Saeed
(Chairman)



Hassan Javed
(Chief Executive)

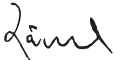
October 28, 2024
Lahore.

Consolidated Condensed Interim Statement of Financial Position (Un-audited)

As at September 30, 2024

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
250,000,000 (31 December 2023: 250,000,000) ordinary shares of Rupees 10 each	2,500,000	2,500,000
Issued, subscribed and paid-up share capital		
206,056,400 (31 December 2023: 205,917,500) ordinary shares of 10 each	2,060,564	2,059,175
Reserves	4,828,114	4,426,786
Total equity	6,888,678	6,485,961
LIABILITIES		
Non-current liabilities		
Long term financing - secured	5 273,899	310,565
Employees' retirement benefit	216,772	216,104
Deferred liabilities	207,498	67,093
	698,169	593,762
Current liabilities		
Trade and other payables	2,821,503	2,774,376
Accrued mark-up	55,504	169,111
Short term borrowings	6,785,166	8,282,347
Current portion of non-current liabilities	59,543	51,799
Dividend payable	-	617,753
Unclaimed dividend	5,578	4,944
	9,727,294	11,900,330
Total liabilities	10,425,463	12,494,092
Contingencies and commitments	6	
TOTAL EQUITY AND LIABILITIES	17,314,141	18,980,053

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



Hassan Javed
(Chief Executive)

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	7	3,000,433	3,082,262
Long term security deposits		11,111	11,057
Long term loans to employees		5,269	8,367
Long term investments	8	3,543,039	2,691,689
Long term loan to Holding Company		350,000	750,000
		6,909,852	6,543,375
Current assets			
Stores, spares and loose tools		156,803	123,733
Stock in trade		3,964,027	4,554,136
Trade debts		3,003,762	1,710,366
Loans and advances		916,789	1,479,789
Accrued mark-up		191	5,357
Short term deposits and prepayments		25,713	9,011
Other receivables		1,656,710	1,469,492
Advance income tax and prepaid levy - net		103,120	133,565
Cash and bank balances		577,174	2,951,229
		10,404,289	12,436,678
TOTAL ASSETS		17,314,141	18,980,053



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

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

For the nine months ended September 30, 2024

	Note	(Un-audited)		(Un-audited)	
		NINE MONTHS ENDED		QUARTER ENDED	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(Rupees in thousand)					
Revenue	9	12,993,637	11,947,771	4,681,781	4,525,032
Cost of sales	10	(10,649,110)	(9,300,399)	(3,790,902)	(3,472,908)
Gross profit		2,344,527	2,647,372	890,879	1,052,124
Distribution cost		(1,193,194)	(931,882)	(487,704)	(393,162)
Administrative expenses		(566,169)	(479,126)	(208,125)	(179,106)
Other expenses		(4,302)	(60,894)	18,398	(21,308)
		(1,763,665)	(1,471,902)	(677,431)	(593,576)
		580,862	1,175,470	213,448	458,548
Other Income		241,795	581,767	83,033	151,482
Profit from operations		822,657	1,757,237	296,481	610,030
Finance cost		(543,108)	(796,741)	(163,570)	(292,274)
		279,549	960,496	132,911	317,756
Share of profit of equity accounted investee - net of taxation		944,310	212,488	351,986	169,893
Profit before taxation and levy		1,223,859	1,172,984	484,897	487,649
Levy		(99,856)	(187,706)	(51,200)	(60,462)
Profit before taxation		1,124,003	985,278	433,697	427,187
Taxation		(319,128)	(197,822)	(45,867)	(70,826)
Profit after taxation		804,875	787,456	387,830	356,361
EARNINGS PER SHARE - BASIC (RUPEES)		3.91	3.84	1.88	1.73
EARNINGS PER SHARE - DILUTED (RUPEES)		3.89	3.82	1.87	1.73

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaquat
(Chief Financial Officer)

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

For the nine months ended September 30, 2024

	(Un-audited)		(Un-audited)	
	NINE MONTHS ENDED		QUARTER ENDED	
	September	September	September	September
	30, 2024	30, 2023	30, 2024	30, 2023
	(Rupees in thousand)			
PROFIT AFTER TAXATION	804,875	787,456	387,830	356,361
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified to profit or loss				
Exchange loss on translation of net assets of foreign subsidiary	(466)	(5,282)	1,750	(529)
Items that may be reclassified subsequently to profit or loss				
	-	-	-	-
Other comprehensive loss for the period	(466)	(5,282)	1,750	(529)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	804,409	782,174	389,580	355,832

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

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

For the nine months ended September 30, 2024

	Share Capital	Share Capital To Be Issued	Reserves					Total	Total Equity	
			Capital Reserve		Share options reserve		Revenue Reserve			
			Exchange transaction reserves	Reserve for issuance of bonus shares	Share premium	Share options reserve	Unappropriated profit			
Balance as at 31 December 2022 - audited	2,050,875	-	-	1,390,684	1,687,997	25,031	1,009,937	4,113,649	6,164,524	
Transactions with owners:										
Final dividend for the year ended 31 December 2022 @ Rupee 1 per share	-	8,300	-	-	-	-	(205,088)	(205,088)	(205,088)	
Proceeds against shares to be issued under Employees Stock Option Scheme	-	(8,300)	-	-	24,500	(24,500)	-	-	8,300	
Issuance of share capital under employee stock option scheme	8,300	-	-	-	531	(531)	-	-	-	
Employee share options lapsed	-	-	-	-	-	15,863	-	15,863	15,863	
Recognition of share options reserve	8,300	-	-	25,031	-	(9,768)	(205,088)	(189,225)	(180,925)	
Profit for the period ended 30 September 2023	-	-	-	-	-	-	787,456	787,456	787,456	
Other comprehensive loss for the period ended 30 September 2023	-	-	-	-	-	-	(5,282)	(5,282)	(5,282)	
Total comprehensive income for the period ended 30 September 2023	-	-	-	-	-	-	782,174	782,174	782,174	
Balance as at 30 September 2023 - un-audited	2,059,175	-	-	1,390,684	1,713,028	15,863	1,587,023	4,706,598	6,765,773	
Balance as at 31 December 2023 - audited	2,059,175	-	(4,609)	1,390,684	1,713,028	895	1,326,788	4,426,786	6,485,961	
Transactions with owners:										
Final dividend for the year ended 31 December 2023 @ Rupees 2 per share	-	1,389	-	-	-	(406)	(411,835)	(411,835)	(411,835)	
Proceeds against shares to be issued under Employee's Stock Option Scheme	-	(1,389)	-	-	3,184	-	-	2,778	4,167	
Issuance of share capital under employee stock option scheme	1,389	-	-	-	-	109	-	-	-	
Employee share options lapsed	-	-	-	-	-	(109)	-	-	-	
Recognition of share options reserve	1,389	-	-	3,293	-	5,976	(411,835)	(403,081)	(401,692)	
Profit for the period ended 30 September 2024	-	-	-	-	-	-	804,875	804,875	804,875	
Other comprehensive loss for the period ended 30 September 2024	-	-	(466)	-	-	-	-	(466)	(466)	
Total comprehensive income for the period ended 30 September 2024	-	-	(466)	-	-	-	804,875	804,409	804,409	
Balance as at 30 September 2024 - un-audited	2,060,564	-	(5,075)	1,390,684	1,716,321	6,356	1,719,828	4,828,114	6,888,678	

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

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

For the nine months ended September 30, 2024

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
Note	(Rupees in thousand)	
Cash flows from operating activities		
Cash generated from operations		
	11	
Finance cost paid	(656,715)	(753,215)
Income tax and levy paid	(248,134)	(198,988)
Workers' Profit Participation Fund paid	(34,802)	(18,883)
Workers' welfare fund paid	(993)	-
Staff retirement benefit paid	(39,311)	(6,448)
Long term loans to employees - net	6,460	3,495
Long term security deposits - net	3,246	(750)
Net cash (used in) / from operating activities	(421,456)	115,906
Cash flows from investing activities		
Capital expenditure on fixed assets	(142,429)	(609,705)
Proceeds from disposal of fixed assets	12,874	5,542
Loan given to Service Industries Limited - Holding Company	(2,408,000)	(9,764,491)
Loan repayment from Service Industries Limited - Holding Company	2,953,000	9,167,318
Profit on bank deposits received	23,680	471
Mark-up received on loan to Service Industries Limited - Holding Company	66,726	411,463
Dividend received from associated company	379,360	-
Long term investments made	(286,400)	-
Net cash from / (used in) investing activities	598,811	(789,402)
Cash flows from financing activities		
Repayment of long term financing	(28,922)	(27,063)
Short term borrowings - net	(1,497,181)	1,336,372
Proceeds against share capital issued under Employee's Stock option scheme	4,167	8,300
Dividend paid	(1,028,954)	(204,789)
Net cash (used in) / from financing activities	(2,550,890)	1,112,820
Exchange loss on translation of net assets of foreign subsidiary	(520)	(5,282)
Net (decrease) / increase in cash and cash equivalents	(2,374,055)	434,042
Cash and cash equivalents at the beginning of the period	2,951,229	161,620
Cash and cash equivalents at the end of the period	577,174	595,662

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

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

For the nine months ended September 30, 2024

1 The group and its operations

The group consists of:

Holding company

- Service Global Footwear Limited

Subsidiary Company

- Dongguan Service Global Limited

Service Global Footwear Limited

Service Global Footwear Limited (the Company) was incorporated as a public limited Company on 19 July 2019 in Pakistan under the Companies Act, 2017 and got listed on 28 April 2021. The shares of the company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is located at 2- Main Gulberg, Lahore. The principal activities of the Company are manufacturing, sale, marketing, import and export of footwear, leather and allied products. The Company is the subsidiary of Service Industries Limited.

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. 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 and other related matters. Commercial address of Dongguan Service Global Limited is Room 302, No. 18, Houjie Town, Dongguan City, Guangdong Province, China. It is wholly owned subsidiary of Service Global Footwear Limited.

2 BASIS OF CONSOLIDATION

a) Subsidiaries

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

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

Intragroup balances and transactions have been eliminated.

Non-controlling interest are that part of net results of the operations and of net assets of Subsidiary

Companies attributable to interest which are not owned by the Holding Company. Non-controlling interest are presented as separate item in the consolidated condensed 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

3.1 These consolidated 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:

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

For the nine months ended September 30, 2024

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

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

These consolidated 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 consolidated financial statements of the Holding Company of the Group for the year ended 31 December 2023.

4 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these consolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited consolidated annual financial statements of the Group for the year ended 31 December 2023.

4.1 Critical accounting estimates and judgments

The preparation of these consolidated 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 consolidated 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 consolidated annual financial statements of the Group for the year ended 31 December 2023.

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in thousand)	
5 LONG TERM FINANCING - SECURED		
Opening balance	362,364	401,814
Less: Repaid during the period / year	(28,922)	(39,450)
	333,442	362,364
Less: Current portion shown under current liabilities	(59,543)	(51,799)
	273,899	310,565

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2023 except for the following:

- 6.1.1** The Deputy Commissioner Inland Revenue (DCIR) initiated the proceedings under section 4C of the Income Tax Ordinance, 2001 through a show cause notice dated 28 February 2024. The Company stance was adequately explained to the tax authorities through online reply dated 13 May 2024, filed on Federal Board of Revenue's 'IRIS' portal. Following the submissions of Company reply the DCIR passed an order dated 24 June 2024 raising an income tax demands of Rupees 113.195 million on account of super tax. The Company has contested this order before the Appellate Tribunal Inland Revenue (ATIR) on 23 July 2024. The Company has already made the provision of Rupees 98.692 million. The management, based on advice of the legal counsel, is confident of favourable outcome of this matter.
- 6.1.2** Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 859.186 million (31 December 2023: Rupees 1,180.514 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. The Company is availing Export Facilitation Scheme (EFS) License issued by Collector of Custom, Lahore with a face value of Rupees 2,750 million (31 December 2023: Rupees 2,000 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 2,750 million (31 December 2023: Rupees 2,000 million) from the Company.

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

For the nine months ended September 30, 2024

6.2 Commitments

- 6.2.1** Letters of credit other than capital expenditure are of Rupees 504.730 million (31 December 2023: Rupees 504.628 million).
- 6.2.2** Contracts for capital expenditure are approximately of Rupees 4.490 million (31 December 2023: Rupees 35.851 million).
- 6.2.3** Outstanding foreign currency forward contracts are of Rupees 5,436.617 million (31 December 2023: Rupees 3,194.370 million).
- 6.2.4** The Company has obtained vehicles under ijarah arrangements from Bank Al Habib Limited for a period of four years, ijarah rentals are payable on monthly basis respectively. Future monthly Ujrah payments under Ijarah are as follows:

	Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Audited) December 31, 2023
Not later than one year		8,708	10,926
Later than one year and not later than five years		-	5,977
		8,708	16,903

7 FIXED ASSETS

Operating fixed assets	7.1	2,911,367	2,981,977
Capital work-in-progress	7.2	89,066	100,285
		3,000,433	3,082,262

7.1 Operating fixed assets

Opening net book value		2,981,977	2,321,674
Add: Cost of additions during the period / year	7.1.1	153,756	911,378
Less: Book value of deletions during the period / year	7.1.2	(11,164)	(5,411)
Less: Depreciation charged during the period / year		(213,148)	(245,585)
Currency retranslation		(54)	(79)
Closing net book value		2,911,367	2,981,977

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note	(Rupees in thousand)	
7.1.1 Cost of additions during the period / year		
Buildings on freehold land	32,304	438,036
Plant and machinery	66,051	133,038
Furniture, fixture and fittings	6,812	3,931
Leasehold improvements	-	1,045
Vehicles	19,275	191,536
Service equipment	29,314	143,792
	153,756	911,378
7.1.2 Book value of deletions during the period / year		
Cost of deletions:		
Plant and machinery	685	5,198
Furniture, fixture and fittings	20	-
Vehicle	16,250	6,242
Service equipment	3,416	1,701
	20,371	13,141
Less: Accumulated depreciation	(9,207)	(7,730)
Book value of deletions during the period / year	11,164	5,411
7.2 Capital work-in-progress		
Buildings on freehold land	67,342	35,632
Plant and machinery	18,463	41,325
Service equipment	2,846	16,496
Furniture, fixture and fittings	415	173
Vehicles	-	6,659
	89,066	100,285
8 LONG TERM INVESTMENTS		
Investment in associate (with significant influence) - under equity method	8.1	3,543,039
		2,691,689
		3,543,039
		2,691,689

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

For the nine months ended September 30, 2024

(Un-audited) (Audited)
September December
30, 2024 31, 2023
(Rupees in thousand)

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

Service Long March Tyres (Private) Limited - un-quoted
270,971,704 (31 December 2023: 242,331,650) fully paid
ordinary shares of Rupees 10 each
Equity held: 18.91% (31 December 2023: 18.91%)

2,720,975 2,434,575

As at the beginning of the period / year

257,114 (216,925)

Less: Dividend received during the period / year

(379,360) -

Add: Share of post acquisition profit for the period / year

944,310 474,039

822,064 257,114

3,543,039 2,691,689

(Un-audited)		(Un-audited)	
NINE MONTHS ENDED		QUARTER ENDED	
September	September	September	September
30, 2024	30, 2023	30, 2024	30, 2023
(Rupees in thousand)			

9 REVENUE

Revenue from contracts with customers:

Export sales **12,578,115** 11,740,021 **4,576,745** 4,430,533

Local sales **415,522** 207,750 **105,036** 94,499

12,993,637 11,947,771 **4,681,781** 4,525,032

	(Un-audited)		(Un-audited)	
	NINE MONTHS ENDED		QUARTER ENDED	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	(Rupees in thousand)			
10 COST OF SALES				
Raw materials consumed	6,073,176	5,031,323	2,168,809	1,793,612
Salaries, wages and other benefits	2,623,490	2,205,743	947,041	815,471
Stores and spares consumed	260,555	376,198	121,541	130,149
Packing materials consumed	701,854	613,917	276,702	241,835
Fuel and power	302,286	241,214	107,381	110,339
Insurance	18,290	14,095	6,217	5,260
Travelling and conveyance	47,824	40,498	14,865	14,962
Repair and maintenance	41,527	30,883	13,545	11,864
Entertainment	554	751	29	27
Depreciation	186,877	158,168	63,970	57,204
Rent, rates and taxes	1,218	1,059	407	631
Reversal of provision for slow moving and obsolete inventory	(14,573)	(26,805)	(3,707)	(272)
Other manufacturing charges	78,281	132,331	16,173	24,202
	10,321,359	8,819,375	3,732,973	3,205,284
Movement in work in process	56,802	(16,840)	102,094	64,401
Cost of goods manufactured	10,378,161	8,802,535	3,835,067	3,269,685
Movement in finished goods	270,949	497,864	(44,165)	203,223
	10,649,110	9,300,399	3,790,902	3,472,908

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

For the nine months ended September 30, 2024

		Un-audited	
		NINE MONTHS ENDED	
		September 30, 2024	September 30, 2023
		(Rupees in thousand)	
	Note		
11	CASH GENERATED FROM OPERATIONS		
	Profit before taxation and levy	1,223,859	1,172,984
	Adjustments for non-cash charges and other items:		
	Depreciation	213,148	173,018
	Provision for gratuity	39,979	32,438
	Finance cost	543,108	796,741
	Gain on disposal of operating fixed assets	(1,710)	(152)
	Provision for workers' profit participation fund	-	42,382
	Interest on workers' profit participation fund	1,245	1,270
	Provision for workers' welfare fund	2,947	24,395
	Reversal of provision for slow moving and obsolete inventory	(14,573)	(26,805)
	Interest on bank deposits	(18,323)	(471)
	Employee's share option expense	5,976	15,863
	Share of profit of equity accounted investee - net of taxation	(944,310)	(212,488)
	Interest on loan to Holding Company	(66,917)	(416,872)
	Working capital changes	11.1 (435,636)	(511,608)
		548,793	1,090,695
11.1	Working capital changes		
	Decrease / (increase) in current assets:		
	Stores, spares and loose tools	(18,497)	(23,024)
	Stock in trade	590,109	(245,620)
	Trade debts	(1,293,396)	(724,612)
	Loans and advances	411,338	(416,590)
	Short term deposits and prepayments	(16,702)	(19,011)
	Other receivables	(187,218)	(583,945)
		(514,366)	(2,012,802)
	Increase in trade and other payables	78,730	1,501,194
		(435,636)	(511,608)

12 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these consolidated 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 September 2024 (Un-audited)	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial assets

Derivative financial assets	-	47,042	-	47,042
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Recurring fair value measurements At 31 December 2023-(Audited)	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial liabilities

Derivative financial liabilities	-	443	-	443
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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 year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize 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 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 nine months ended September 30, 2024

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 value techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

13 TRANSACTIONS WITH RELATED PARTIES

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

(i) Transactions:

Nature of relationship	Nature of transactions	Un-audited NINE MONTHS ENDED		Un-audited QUARTER ENDED	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
		(Rupees in thousand)			
Holding company					
Service Industries Limited	Sale of goods	260,900	233,793	52,481	91,820
	Purchase of goods	382,443	299,091	196,612	109,579
	Purchase of fixed assets	6,275	-	-	-
	Loan given	2,408,000	9,764,491	2,278,000	6,334,494
	Loan repaid	2,953,000	9,167,318	1,923,000	6,230,500
	Expenses charged	174,900	200,282	61,049	72,328
	Interest income	66,917	416,872	24,190	181,122
	Processing charges	17,290	105,642	-	53,795
	Dividend paid	817,750	163,550	-	-
Subsidiary company of the Holding company					
Service Tyres (Private) Limited	Sale of goods	6,189	-	-	-

(i) Transactions:

Nature of relationship	Nature of transactions	Un-audited NINE MONTHS ENDED		Un-audited QUARTER ENDED	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(Rupees in thousand)					
Subsidiary company of the Holding Company					
Service Retail (Private) Limited	Sale of goods	124,019	-	56,144	-
Associated company					
Jomo Technologies (Private) Limited	Sale of goods	-	3,035	-	-
	Purchase of goods	-	15,134	-	15,134
Associated company					
Service Long March Tyres (Private) Limited	Dividend received	379,360	-	379,360	-
	Sale of goods	-	8,225	-	-
Subsidiary company of the Holding Company					
SIL Gulf (FZE)	Purchase of goods	-	74,124	-	7,732
	Purchase of machinery	-	44,321	-	44,321
Key management personnel and directors					
	Remuneration	139,230	100,692	49,492	29,243
	Meeting fee to directors - non executive	1,040	1,600	322	400
	Cash dividend paid	16,876	2,688	-	-
	Proceeds against shares issued under Employee's Stock Option Scheme	1,350	5,215	-	-
	464,450 options granted under Employee's Stock Option Scheme as on 01 January 2024 (As on 01 January 2023: 260,000 options)	-	-	-	-
Other related parties					
	Post employment benefit plans	140,101	118,715	47,031	43,151

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

For the nine months ended September 30, 2024

(ii) Period end balances

As at September, 30 2024 (Un-audited)		
Holding Company	Other related parties	Total

(Rupees in thousand)

Employees' retirement benefits payable	-	252,306	252,306
Trade and other payables	27,158	469	27,627
Accrued mark-up	191	-	191
Loans and advances receivable	705,000	13,924	718,924

As at December 31, 2023 (Audited)		
Holding Company	Other related parties	Total

(Rupees in thousand)

Employees' retirement benefits payable	-	247,385	247,385
Trade debts	11,471	-	11,471
Trade and other payables	8,199	6,912	15,111
Loans and advances receivable	1,250,000	-	1,250,000

14 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Holding Company for the year ended 31 December 2023.

15 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 28 October 2024.

16 CORRESPONDING FIGURES

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

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

17 GENERAL

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

گروپ کی ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 30 ستمبر 2024 ختم ہونے والی نوماہی کے لیے سروس گلوبل فٹ ویئر لمیٹڈ اور اس کے ذیلی اداروں کے مختصر مجموعی عبوری مالیاتی معلومات کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

گروپ، سروس گلوبل فٹ ویئر لمیٹڈ اور ڈونگ گوان سروس گلوبل لمیٹڈ، جو کہ سروس گلوبل فٹ ویئر لمیٹڈ کا کلی ملکی ذیلی ادارہ ہے، پر مشتمل ہے۔

سروس گلوبل فٹ ویئر لمیٹڈ

سروس گلوبل فٹ ویئر لمیٹڈ 19 جولائی 2019 کو پاکستان میں ایک پبلک لمیٹڈ کمپنی کے طور پر کمپنیز ایکٹ 2017 کے تحت تشکیل دیا گیا تھا۔ کمپنی کی بنیادی سرگرمیاں جوتے، چمڑے اور متعلقہ مصنوعات کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد ہے۔ 30 ستمبر 2024 ختم ہونے والی نوماہی کے لیے سروس گلوبل فٹ ویئر لمیٹڈ کی کارکردگی پر ڈائریکٹرز کے تبصرہ کی رپورٹ الگ سے پیش کی گئی ہے۔

ڈونگ گوان سروس گلوبل لمیٹڈ

ڈونگ گوان سروس گلوبل لمیٹڈ ایک لمیٹڈ لائیہ کمپنی ہے (مکمل طور پر غیر ملکی قانونی شخص کی ملکیت ہے) جو کہ ڈونگ گوان اینڈسٹریٹس آف مارکیٹ ریگولیشنز، چین کے ساتھ رجسٹرڈ ہے۔ ڈونگ گوان سروس گلوبل لمیٹڈ کی تاریخ تشکیل 18 دسمبر 2022 ہے۔ ڈونگ گوان سروس گلوبل لمیٹڈ کا کاروباری دائرہ کار جو توں اور ٹیویوں کی بڑے پیمانے پر فروخت، چمڑے کی مصنوعات کی فروخت، سسلے ہوئے ملبوسات اور اس سے منسلک خام مال کی فروخت، ہارڈ ویئر مصنوعات کی بڑے پیمانے پر فروخت، بیگز کی فروخت، روزمرہ کی ضروریات، ملبوسات کا معائنہ اور ان کی فنکشننگ کی خدمات، تکنیکی خدمات، ٹیکنالوجی کی ڈیولپمنٹ، تکنیکی مشاورت، ٹیکنالوجی کے تبادلے، ٹیکنالوجی کی منتقلی، ٹیکنالوجی کو فروغ دینے، سامان کی درآمد اور برآمد، ٹیکنالوجی کی درآمد اور برآمد (قانون کے مطابق منظور شدہ مشروط منصوبوں کے علاوہ، کاروباری لائسنس کے ساتھ قانون کے مطابق آزادانہ طور پر کاروباری سرگرمیاں انجام دینا) پر محیط ہے۔

ڈونگ گوان سروس گلوبل لمیٹڈ کمہ 302، نمبر 18، ہوجی ٹاؤن، ڈونگ گوان سٹی، گوانگ ڈونگ صوبہ، چین میں واقع ہے۔ ڈونگ گوان سروس گلوبل لمیٹڈ کا رجسٹرڈ سرمایہ 1,250,000 امریکی ڈالر ہے جسے ہولڈنگ کمپنی نے سبسکرائب کیا ہے۔ ہولڈنگ کمپنی مکمل طور پر ڈونگ گوان سروس گلوبل لمیٹڈ کی مالک ہے۔

منجانب بورڈ



حسین جاوید
چیف ایگزیکٹو



عارف سعید
چیرمین

مورخہ 28 اکتوبر 2024

لاہور

مستقبل پر ایک نظر:

اس سال عالمی معیشت کو ایک پیچیدہ اور ابھرتے ہوئے منظر نامے کا سامنا کرنا پڑا جو میں مشکلات اور بتدریج بحالی کا مرحلہ تھا۔ بین الاقوامی مہنگائی بتدریج 6.80% (2023) سے کم ہو کر 5.90% متوقع (2024) پر آ رہی ہے جس کی بنیادی وجہ توانائی کی قیمتوں میں کمی ہے۔ اس کے نتیجے میں یورپ اور امریکہ دونوں میں حالیہ مہینوں میں مرکزی بینکوں کی طرف سے شرح سود میں مزید کمی ہوئی ہے۔ پاکستان میں بھی یہی رجحان دیکھا جا رہا ہے۔ دو خطوں میں جاری تنازعات اور تناؤ کے ساتھ جغرافیائی سیاسی معاملات عالمی معیشت پر نمایاں طور پر اثر انداز ہو رہے ہیں۔ ترسیل کی لاگت اور لیڈ ٹائم میں اضافے کے ساتھ خام مال کی ترسیل اب بھی تشویش کا باعث ہے۔ اس کے ساتھ ساتھ، تجارتی پالیسیوں اور دیگر اہم مفادات کی وجہ سے امریکی انتخابات، بہت سے ممالک خاص کر چین اور متعلقہ ممالک کے لیے ایک بڑی دلچسپی بن گئے ہیں۔ اس سے مستقبل میں سرمایہ کاری کے انداز میں نمایاں تبدیلی آ سکتی ہے اور اگر امریکی انتخابات کے بعد امریکہ اور چین کے درمیان تجارتی پالیسی میں تجدید و اختلاف ہوتا ہے تو پاکستان اس کے مستفید ہونے والوں میں شامل ہو سکتا ہے۔ عالمی اقتصادی نمو گزشتہ سال 3.3، کی طرح 3.20 فیصد (2024) پر رہے گی جو کہ گزشتہ دو دہائیوں میں سب سے کم ہے۔ مستقبل میں تجارت کو کئی خطرات، بشمول کمزور عالمی طلب، بڑھتے ہوئے جغرافیائی سیاسی تناؤ، اور سمندری نقل و حمل میں ممکنہ رکاوٹ کا سامنا ہے۔

پاکستان کی معیشت اس سال مہنگائی میں کمی اور کرنٹ اکاؤنٹ خسارے، مستحکم کرنسی اور غیر ملکی ترسیلات زر میں اضافے کی وجہ سے کچھ مستحکم ہوئی ہے۔ پاکستان تو سبھی فنڈ سہولت (EFF) کے 37 ماہ کے نئے پروگرام کو حاصل کرنے میں کامیاب رہا ہے جس کی رقم 7 بلین ڈالر ہے۔ یہ اگلے 3 سالوں کے لیے ہماری لیویڈیٹی کو کچھ استحکام دے گا۔ تاہم اس پروگرام سے منسلک کچھ جاری بات چیت اور شرائط پاکستان میں کاروباری ماحول کے لیے بہت پریشان کن ہیں۔ ان مشکلات میں مقامی سپلائرز کے لیے ایکسپورٹ فیلسٹیشن سیم (EFS) کا خاتمہ، برآمد کنندگان کے لیے ٹیکس کے نظام کو قلمسٹ ٹیکس سے نارل ٹیکس میں تبدیل کرنے کی وجہ سے ٹیکس میں اضافہ، توانائی کی قیمتوں میں اضافہ، مہنگائی سے منسلک شرح سود، اجرت میں مسلسل اضافہ اور برآمد کنندگان کے لیے ہر قسم کی مراعات واپس لینا شامل ہیں۔ پاکستان میں ایک مینیوفیکچرر ہونے کے ناطے، سروس گلوبل فنڈ ویز لمیٹڈ قیمتوں کو مسابقتی رکھنے کی ضرورت کے ساتھ ان بڑھتے ہوئے اخراجات کو کم کرنے کی جدوجہد کرے گا۔ اس کے نتیجے میں تمام مینیوفیکچرنگ صنعتوں میں آپریٹنگ مارجن پر دباؤ آئے گا۔

اس سخت کاروباری ماحول میں، جہاں گراس مارجن پر دباؤ زیادہ رہے گا، سروس گلوبل فنڈ ویز لمیٹڈ امریکی انتخابات کے بعد جیو پالیٹیکل سوسرگ شفٹ کی وجہ سے بہتر کاروباری مواقع دیکھتا ہے جیسا کہ اوپر بیان کیا گیا ہے۔ چونکہ جوتے کی صنعت چین میں بہت زیادہ مرکوز ہے، اس لیے جوتے کے کاروبار کو چین سے دوسرے ممالک میں منتقل کرنے سے سروس گلوبل فنڈ ویز لمیٹڈ کو فائدہ ہو گا اور سروس گلوبل فنڈ ویز لمیٹڈ ہماری فروخت میں اضافے کے لیے نئے گاؤں کو لا کر فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہے۔ اس کے نتیجے میں مستقبل قریب میں اخراجات جذب کرنے اور تکنیکی برتری بہتر بنانے میں مدد ملے گی، جس سے مستقبل بعید میں فروخت اور منافع پر بہت زیادہ مثبت اثر پڑے گا۔ ان مواقع کو دیکھتے ہوئے، سروس گلوبل فنڈ ویز لمیٹڈ نے پہلے ہی اگلے تو سبھی منصوبے پر کام شروع کر دیا ہے۔

اظہار تشکر

ڈائریکٹرز ہمارے شہر ہولڈرز کے لیے اپنی مخلصانہ تعریف کا اظہار کرنا چاہیں گے جنہوں نے مسلسل کمپنی پر اپنے اعتماد کا مظاہرہ کیا ہے۔ ہم اپنے حصارفین، سپلائرز اور بینکرز کے کمپنی کے ساتھ مسلسل تعاون اور حمایت کے بھی شکر گزار ہیں۔

مخائب بورڈ



عارف سعید

چیئرمین



حسن جاوید

چیف ایگزیکٹو

ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 30 ستمبر 2024 کو ختم ہونے والی نو ماہی کے لیے سروس گلوبل فٹ ویئر لمیٹڈ کی مختصر عہدہ کی مالیاتی معلومات کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی کارکردگی کا موازنہ

30 ستمبر 2024 کو ختم ہونے والی نو ماہی کی سروس گلوبل فٹ ویئر لمیٹڈ کی انفرادی عہدہ کی مالیاتی کارکردگی درج ذیل ہے۔

تفصیلات	نو ماہی اختتام	
	ستمبر 2023.30 روپے، ہزار میں	ستمبر 2024.30 روپے، ہزار میں
خالص فروخت	11,939,546	12,951,499
گراس منافع	2,637,188	2,179,219
منافع قبل از ٹیکس	1,177,488	1,236,298
منافع بعد از ٹیکس	791,960	817,314
فی شیئر آمدنی	3.86	3.97
فیصد تبدیلی		
	8.48%	-17.37%
	4.99%	3.20%
	2.85%	

30 ستمبر 2024 کو ختم ہونے والی نو ماہی، سروس گلوبل فٹ ویئر لمیٹڈ نے فروخت میں 8% نمو حاصل کی ہے، جس سے ہماری موجودہ مدت کی فروخت 12.95 ارب روپے تک پہنچ گئی، جبکہ پچھلے سال کی اس مدت کی فروخت 11.94 ارب روپے تھی۔ تاہم، ہمیں کئی مشکلات کا سامنا ہوا جنہوں نے ہماری مجموعی کارکردگی کو متاثر کیا۔ گراس منافع کی شرح پچھلے سال کی اس مدت کے مقابلے میں 17.37% کم ہوئی، جو ملکہ بھر میں برآمد کنندگان اور مینوفیکچرنگ پوائنٹس کو متاثر کرنے والے مشکل معاشی حالات کی عکاسی کرتی ہے۔

اس کی میں کامو جب بننے والے اہم عوامل مندرجہ ذیل ہیں:

- بڑھتی ہوئی لاگت اور ہنگامی: بجلی کے اخراجات اور اجرتوں میں اضافے نے ہمارے پیداواری اخراجات پر کافی دباؤ ڈالا ہے۔
- روپے کی قدر میں اضافہ: ڈالر کے مقابلے میں روپے کی قدر میں اضافے نے برآمدی منڈی میں ہماری مسابقت پر نمایاں اثر ڈالا ہے۔
- مسابقتی برآمدی منڈیاں: برآمدی منڈی بہت مشکل ہے۔ دنیا میں دو بڑھتے ہوئے تنازعات نے برآمدی منڈی کے لیے مشکلات کو بڑھا دیا ہے۔ صارفین نے اپنے اخراجات میں کمی کی ہے جس کی وجہ سے قیمتوں پر دباؤ بڑھ گیا ہے۔

سروس گلوبل فٹ ویئر لمیٹڈ کا سروس لانگ مارچ ٹائمرز (ایس ایل ایم) میں سرمایہ کاری کرنے کا اہم فیصلہ انتہائی سود مند ثابت ہوا ہے، جس سے 944 ملین روپے کا منافع حاصل ہوا۔ کمپنی نے ایس ایل ایم میں مزید 286 ملین روپے کی سرمایہ کاری کی ہے، جس سے ایس ایل ایم کی پیداواری استعداد میں مزید اضافہ ہو گا اور منافع بخش کاروبار حاصل ہو گا۔

نتیجتاً، کمپنی کا منافع قبل از ٹیکس 30 ستمبر 2024 کو ختم ہونے والی نو ماہی میں 1,177 ملین روپے سے بڑھ کر 1,236 ملین روپے تک پہنچ گیا، جو کہ 5% کی شرح نمو کو ظاہر کرتا ہے سروس گلوبل فٹ ویئر لمیٹڈ کا بعد از ٹیکس خالص منافع 817 ملین روپے رہا، جو پچھلے سال اسی مدت کے دوران 792 ملین روپے تھا۔

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