



Servis

Service Global Footwear Limited

Unlocking new possibilities



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

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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

Shares Registrar

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

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 are pleased to present their report, together with the condensed interim financial information of Service Global Footwear Limited ("SGFL") for the first quarter ended 31 March 2025.

Key Performance Indicators (KPIs)

Please find below key performance indicators of condensed interim financial statements of SGFL for the quarter ended 31 March 2025.

Particulars	Quarter Ended		
	March 31, 2025 "000"	March 31, 2024 "000"	Percentage Change
Net Sales	4,793,152	4,541,895	5.53%
Gross Profit	724,907	828,587	-12.51%
Profit before levy and tax	225,931	546,930	-58.69%
Profit after levy and tax	96,920	385,614	-74.87%
Earnings per share	0.47	1.87	-74.87%

During the quarter under review, SGFL recorded a 5.53% increase in sales, reaching Rs. 4.79 billion, compared to Rs. 4.54 billion in the same period last year. However, this period posed several cost-related challenges, which led to a 12.51% decline in gross margins compared to Q1 2024.

Key factors impacting costs included:

- Increased minimum wages from July 2024 by 15%
- Rupee appreciation by 4% over the same period last year
- Higher freight costs driven by the Red Sea conflict
- Increased investment in product development for the later half of this year

SGFL's strategic investment in Service Long March (SLM) yielded very good results last year. SGFL's share of profit from SLM for the quarter presented amounts to Rs. 154 million. SLM is seeing a challenging global landscape on export front in new scenario of US tariffs but is confident of growing in its category.

The earnings per share (EPS) for the period stood at Rs. 0.47, compared to Rs. 1.87 in the corresponding period last year.

Future outlook

SGFL remains focused on increasing its market share and getting new customers on board. This has resulted in consistent growth in our top line, and we continue to see this trend in the second quarter as well. It is a difficult period for exporters where margins are under pressure. However, the management continues to focus on future expansion and strategic alliances with new customers in the constant pursuit of sustainable growth.

We are glad to announce that we are investing in a new production hall which will increase our capacity by 30% aimed at emerging opportunities and ensuring readiness to capitalize.

Recent US tariffs are changing global landscape of sourcing. It is likely to bring inflation in the US economy resulting in disruptions. However, in the medium term if Pakistan is able to negotiate better trade agreements with US, there is a massive opportunity of grabbing US business exiting from China and Vietnam. SGFL is well positioned to capitalize on this opportunity by having invested early in new capacity this year.

Profitability will remain under pressure for the near future considering local and international market challenges. However, we expect better sales in the second quarter, and this will yield improved margins for this quarter in comparison to the first quarter.

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)

29 April 2025
Lahore.



Hassan Javed
(Chief Executive)



Unconsolidated Condensed Interim Financial Statements

Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2025

	(Un-audited)	(Audited)
	March	December
	31, 2025	31, 2024
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
250,000,000 (31 December 2024: 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 2024: 206,056,400) ordinary shares of of Rupees 10 each	2,060,564	2,060,564
Reserves	5,263,345	5,150,351
Total equity	7,323,909	7,210,915
LIABILITIES		
Non-current liabilities		
Long term financing - secured	4 330,160	253,426
Employees' retirement benefit	251,332	238,661
Deferred liabilities	341,640	278,796
	923,132	770,883
Current liabilities		
Trade and other payables	1,960,463	2,078,710
Accrued mark-up	112,422	46,928
Short term borrowings	6,613,494	9,032,440
Current portion of non-current liabilities	59,543	59,543
Unclaimed dividend	5,578	5,578
	8,751,500	11,223,199
Total liabilities	9,674,632	11,994,082
Contingencies and commitments		
5		
TOTAL EQUITY AND LIABILITIES	16,998,541	19,204,997

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



Hassan Javed
(Chief Executive)

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	6	3,005,255	2,948,805
Long term security deposits		4,627	4,354
Long term loans to employees		2,845	2,845
Long term investments	7	4,205,909	4,035,432
		7,218,636	6,991,436
Current assets			
Stores, spares and loose tools		170,672	166,034
Stock in trade		4,195,331	4,151,812
Trade debts		2,304,112	2,306,192
Loans and advances		634,051	2,873,329
Accrued mark-up		3,065	9,599
Short term deposits and prepayments		23,614	24,703
Other receivables		1,835,105	1,758,777
Advance income tax and prepaid levy - net		225,863	178,145
Cash and bank balances		388,092	744,970
		9,779,905	12,213,561
TOTAL ASSETS		16,998,541	19,204,997



Arif Saeed
(Director)



Usman Liaquat
(Chief Financial Officer)

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

For the Quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	Note	(Rupees in thousand)	
Revenue	8	4,793,152	4,541,895
Cost of sales	9	(4,068,245)	(3,713,308)
Gross profit		724,907	828,587
Distribution cost		(376,800)	(295,825)
Administrative expenses		(195,643)	(172,698)
Other expenses		(4,761)	(18,173)
		(577,204)	(486,696)
		147,703	341,891
Other Income		73,884	43,608
Profit from operations		221,587	385,499
Finance cost		(150,059)	(200,734)
		71,528	184,765
Share of profit of equity accounted investee - net of taxation		154,403	362,165
Profit before taxation and levy		225,931	546,930
Levy		(42,320)	(62,157)
Profit before taxation		183,611	484,773
Taxation		(86,691)	(99,159)
Profit after taxation		96,920	385,614
EARNINGS PER SHARE - BASIC (RUPEES)		0.47	1.87
EARNINGS PER SHARE - DILUTED (RUPEES)		0.47	1.87

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 Quarter ended March 31, 2025

	(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	(Rupees in thousand)	
PROFIT AFTER TAXATION	96,920	385,614
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	96,920	385,614

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 Quarter ended March 31, 2025

	Reserves						Total Equity	
	Share Capital	Capital Reserve			Revenue Reserve			Total
		Reserve for issuance of bonus shares	Share premium	Share options reserve	Share of employee share options reserve held by equity accounted investee	Un-appropriated profit		
Rupees in thousand								
Balance as at 31 December 2023 - audited	2,059,175	1,390,684	1,713,028	895	-	1,337,061	6,500,843	
Profit for the period ended 31 March 2024	-	-	-	-	-	385,614	385,614	
Other comprehensive income for the period ended 31 March 2024	-	-	-	-	-	-	-	
Total comprehensive income for the period ended 31 March 2024	-	-	-	-	-	385,614	385,614	
Balance as at 31 March 2024 - un-audited	2,059,175	1,390,684	1,713,028	895	-	1,722,675	6,886,457	
Balance as at 31 December 2024 - audited	2,060,564	1,390,684	1,716,321	7,183	24,389	2,011,774	7,210,915	
Adjustment due to equity accounted investee company	-	-	-	-	16,074	-	16,074	
Profit for the period ended 31 March 2025	-	-	-	-	-	96,920	96,920	
Other comprehensive income for the period ended 31 March 2025	-	-	-	-	-	-	-	
Total comprehensive income for the period ended 31 March 2025	-	-	-	-	-	96,920	96,920	
Balance as at 31 March 2025 - un-audited	2,060,564	1,390,684	1,716,321	7,183	40,463	2,108,694	7,323,909	

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 Quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	Note	(Rupees in thousand)	
Cash flows from operating activities			
Cash used in operations	10	(265,732)	(207,600)
Finance cost paid		(84,565)	(216,852)
Income tax and levy paid		(113,885)	(53,884)
Workers' profit participation fund paid		-	(35,275)
Staff retirement benefit paid		(113)	(34,847)
Long term loans to employees - net		2,536	2,652
Long term security deposits - net		(273)	(54)
Net cash used in operating activities		(462,032)	(545,860)
Cash flows from investing activities			
Capital expenditure on fixed assets		(122,814)	(72,385)
Proceeds from disposal of fixed assets		819	1,197
Loan given to Service Industries Limited - Holding Company		(74,000)	-
Loan repayment from Service Industries Limited - Holding Company		2,574,000	900,000
Profit on bank deposits received		36,007	13,151
Mark-up received on loan to Service Industries Limited - Holding Company		33,354	23,731
Long term investment made		-	(286,400)
Net cash from investing activities		2,447,366	579,294
Cash flows from financing activities			
Proceeds from long term financing		85,864	-
Repayment of long term financing		(9,130)	(7,840)
Short term borrowings - net		(2,418,946)	(1,520,058)
Dividend paid		-	(617,370)
Net cash used in financing activities		(2,342,212)	(2,145,268)
Net decrease in cash and cash equivalents		(356,878)	(2,111,834)
Cash and cash equivalents at the beginning of the period		744,970	2,903,050
Cash and cash equivalents at the end of the period		388,092	791,216

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 Quarter ended March 31, 2025

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 2024.

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 2024.

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 2024.

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	(Rupees in thousand)	
4 LONG TERM FINANCING - SECURED		
Opening balance	312,969	362,364
Add: Obtained during the period / year	85,864	-
Less: Repaid during the period / year	(9,130)	(49,395)
	389,703	312,969
Less: Current portion shown under current liabilities	(59,543)	(59,543)
	330,160	253,426

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 2024 except for the following:

- 5.1.1** The Deputy Commissioner Inland Revenue (DCIR) passed an order dated 30 August 2024, under section 161 of the Income Tax Ordinance, 2001 for tax year 2021, whereby a demand of Rupees 168.699 million was raised, against which the Company filed a rectification application u/s 221 of the Income Tax Ordinance, 2001. The Commissioner Inland Revenue (CIR) vide its order Under Section 122A dated 22 Mar 2025 has deleted the entire demand and issued instructions to DCIR for afresh proceedings.
- 5.1.2** Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 272.807 million (31 December 2024: Rupees 546.689 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheques issued as security shall be encashable. 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 2024: 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 2,750 million (31 December 2024: Rupees 2,750 million) from the Company.

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

For the Quarter ended March 31, 2025

- 5.1.3** Guarantee of Rupees 8 million (31 December 2024: Rupees 8 million) is given by the bank of the Company to Pakistan State Oil Company Limited against fuel cards obtained by the Company for its employees.
- 5.1.4** Guarantees of Rupees 64 million (31 December 2024: Rupees 34 million) are given by the banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- 5.2 Commitments**
- 5.2.1** Letters of credit other than capital expenditure are of Rupees 296.709 million (31 December 2024: Rupees 159.510 million).
- 5.2.2** Contracts for capital expenditure are approximately of Rupees 207.007 million (31 December 2024: Rupees Nil).
- 5.2.3** Outstanding foreign currency forward contracts are of Rupees 3,576.160 million (31 December 2024: Rupees 2,422.185 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) March 31, 2025	(Audited) December 31, 2024
	Note	(Rupees in thousand)	
Not later than one year		3,175	5,828
Later than one year and not later than five years		-	-
		3,175	5,828

6 FIXED ASSETS

Operating fixed assets	6.1	2,890,077	2,868,638
Capital work-in-progress	6.2	115,178	80,167
		3,005,255	2,948,805

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	(Rupees in thousand)	
6.1 Operating fixed assets			
Opening net book value		2,868,638	2,967,697
Add: Cost of additions during the period / year	6.1.1	87,803	198,135
Less: Book value of deletions during the period / year	6.1.2	(969)	(14,526)
Less: Depreciation charged during the period / year		(65,395)	(282,668)
Closing net book value		2,890,077	2,868,638
6.1.1 Cost of additions during the period / year			
Buildings on freehold land		-	45,246
Plant and machinery		35,031	83,377
Furniture, fixture and fittings		1,610	10,040
Vehicles		-	24,107
Service equipment		51,162	35,365
		87,803	198,135
6.1.2 Book value of deletions during the period / year			
Cost of deletions:			
Buildings on freehold land		2,204	-
Plant and machinery		1,765	685
Furniture, fixture and fittings		-	20
Vehicle		-	22,385
Service equipment		544	4,414
		4,513	27,504
Less: Accumulated depreciation		(3,544)	(12,978)
Book value of deletions during the period / year		969	14,526
6.2 Capital work-in-progress			
Buildings on freehold land		104,178	30,297
Plant and machinery		6,235	5,029
Service equipment		1,547	41,841
Furniture, fixture and fittings		48	-
Vehicles		3,170	3,000
		115,178	80,167

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

For the Quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
		(Rupees in thousand)	
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 4,116,742	3,946,265
		4,205,909	4,035,432
7.1	Investment in subsidiary company - at cost		
	Dongguan Service Global Limited		
	Equity held 100% (31 December 2024: 100%)	89,167	89,167
7.2	Investment in associate (with significant influence) - under equity method		
	Service Long March Tyres (Private) Limited - un-quoted		
	270,971,704 (31 December 2024: 270,971,704) fully paid ordinary shares of Rupees 10 each		
	Equity held: 18.91% (31 December 2024: 18.91%)	2,720,975	2,720,975
	As at the beginning of the period / year	1,225,290	257,114
	Add: Share of post acquisition profit for the period / year	154,403	1,323,147
	Less: Dividend received during the period / year	-	(379,360)
	Add: Share of employee share options reserve	16,074	24,389
		1,395,767	1,225,290
		4,116,742	3,946,265
		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
		(Rupees in thousand)	
8	REVENUE		
	Revenue from contracts with customers:		
	Export sales	4,827,687	4,362,946
	Local sales	38,577	249,570
		4,866,264	4,612,516
	Less: Discounts, Commissions etc.	(73,112)	(70,621)
		4,793,152	4,541,895

	(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	(Rupees in thousand)	
9 COST OF SALES		
Raw materials consumed	2,220,586	2,170,619
Salaries, wages and other benefits	1,004,054	831,595
Stores and spares consumed	157,325	82,249
Packing materials consumed	276,832	200,744
Fuel and power	75,486	106,765
Insurance	6,602	5,934
Travelling and conveyance	19,496	13,093
Repair and maintenance	13,937	16,286
Entertainment	561	62
Depreciation	58,519	61,486
Rent, rates and taxes	614	-
Provision / (Reversal of provision) for slow moving and obsolete inventory	2,173	(11,581)
Other manufacturing charges	24,910	37,666
	3,861,095	3,514,918
Movement in work in process	18,879	(60,415)
Cost of goods manufactured	3,879,974	3,454,503
Movement in finished goods	188,271	258,805
	4,068,245	3,713,308

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

For the Quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	Note	(Rupees in thousand)	
10 CASH USED IN OPERATIONS			
Profit before taxation and levy		225,931	546,930
Adjustments for non-cash charges and other items:			
Depreciation		65,395	69,103
Provision for gratuity		12,784	13,094
Finance cost		150,059	200,734
Loss / (Gain) on disposal of operating fixed assets		150	(1,044)
Provision for workers' profit participation fund		-	7,011
Interest on workers' profit participation fund		-	1,285
Provision for workers' welfare fund		4,611	11,162
Provision / (Reversal of provision) for slow moving and obsolete inventory		2,173	(11,581)
Interest on bank deposits		(29,473)	(7,794)
Share of profit of equity accounted investee - net of taxation		(154,403)	(362,165)
Interest on loan to Holding Company		(33,354)	(23,731)
Working capital changes	10.1	(509,605)	(650,604)
		(265,732)	(207,600)
10.1 Working capital changes			
Decrease / (increase) in current assets:			
Stores, spares and loose tools		(6,811)	(9,933)
Stock in trade		(43,519)	574,263
Trade debts		2,080	(405,180)
Loans and advances		(263,258)	123,404
Short term deposits and prepayments		1,089	(25,446)
Other receivables		(76,328)	(198,656)
		(386,747)	58,452
Decrease in trade and other payables		(122,858)	(709,056)
		(509,605)	(650,604)

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 31 March 2025 - Un-audited	Level 1	Level 2	Level 3	Total
--	----------------	----------------	----------------	--------------

(Rupees in thousand)

Financial assets

Derivative financial assets	-	72,063	-	72,063
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Recurring fair value measurements At 31 December 2024 - Audited	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial assets

Derivative financial assets	-	167,213	-	167,213
-----------------------------	---	---------	---	---------

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 Quarter ended March 31, 2025

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:

	(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	(Rupees in thousand)	
Service Industries Limited - Holding company		
Sale of goods	14,843	172,242
Purchase of goods	173,532	80,722
Loan given	74,000	-
Loan repaid	2,574,000	900,000
Expenses charged to the company	62,072	58,946
Interest income	33,354	23,731
Processing charges	-	17,290
Dividend paid	-	490,650
Service Tyres (Private) Limited - Subsidiary company of the Holding company		
Sale of goods	-	6,875

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

Service Retail (Private) Limited - Subsidiary company of the Holding Company

Sale of goods	12,800	38,544
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Dongguan Service Global Limited - Subsidiary company

Purchase of goods	580,264	156,333
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Key management personnel

Remuneration	62,189	42,719
Meeting fee to directors - non executive	480	479
Cash dividend paid	-	10,125

Other related parties

Post employment benefit plans	53,756	46,708
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(ii) Period end balances

As at March 31, 2025 (Un-audited)			
Holding company	Subsidiary company	Other related parties	Total

(Rupees in thousand)

Employees' retirement benefits payable	-	-	291,525	291,525
Trade and other payables	-	163,026	438	163,464

As at December 31, 2024 (Audited)			
Holding company	Subsidiary company	Other related parties	Total

(Rupees in thousand)

Employees' retirement benefits payable	-	-	275,041	275,041
Trade and other payables	-	92,482	438	92,920
Other receivable	8,363	-	-	8,363
Loans and advances receivable	2,500,000	-	-	2,500,000

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

For the Quarter ended March 31, 2025

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 2024.

14 DATE OF AUTHORIZATION FOR ISSUE

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

15 CORRESPONDING FIGURES

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

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 31 March 2025.

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 31 March 2025 has been presented in its separate report.

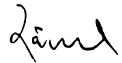
Dongguan Service Global Limited

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)

29 April 2025
Lahore.

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2025

	(Un-audited)	(Audited)
	March	December
	31, 2025	31, 2024
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
250,000,000 (31 December 2024: 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 2024: 206,056,400) ordinary shares of 10 each	2,060,564	2,060,564
Reserves	5,279,513	5,140,491
Total equity	7,340,077	7,201,055
LIABILITIES		
Non-current liabilities		
Long term financing - secured	4 330,160	253,426
Employees' retirement benefit	251,332	238,661
Deferred liabilities	341,640	278,796
	923,132	770,883
Current liabilities		
Trade and other payables	2,182,350	2,326,991
Accrued mark-up	112,422	46,928
Short term borrowings	6,613,494	9,032,440
Current portion of non-current liabilities	59,543	59,543
Unclaimed dividend	5,578	5,578
	8,973,387	11,471,480
Total liabilities	9,896,519	12,242,363
Contingencies and commitments		
5		
TOTAL EQUITY AND LIABILITIES	17,236,596	19,443,418

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



Hassan Javed
(Chief Executive)

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	6	3,020,185	2,960,941
Long term security deposits		4,627	4,354
Long term loans to employees		2,845	2,845
Long term investments	7	4,116,742	3,946,265
		7,144,399	6,914,405
Current assets			
Stores, spares and loose tools		170,672	166,034
Stock in trade		4,195,331	4,151,812
Trade debts		2,338,780	2,338,417
Loans and advances		686,968	2,917,537
Accrued mark-up		3,065	9,599
Short term deposits and prepayments		27,777	26,043
Other receivables		2,023,351	1,944,955
Advance income tax and prepaid levy - net		225,863	178,145
Cash and bank balances		420,390	796,471
		10,092,197	12,529,013
TOTAL ASSETS		17,236,596	19,443,418



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

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

For the Quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	Note	(Rupees in thousand)	
Revenue	8	4,810,942	4,544,368
Cost of sales	9	(3,970,610)	(3,693,124)
Gross profit		840,332	851,244
Distribution cost		(455,294)	(351,345)
Administrative expenses		(201,011)	(176,228)
Other expenses		(6,886)	(18,173)
		(663,191)	(545,746)
		177,141	305,498
Other Income		73,884	50,684
Profit from operations		251,025	356,182
Finance cost		(153,928)	(205,114)
		97,097	151,068
Share of profit of equity accounted investee - net of taxation		154,403	362,165
Profit before taxation and levy		251,500	513,233
Levy		(42,320)	(62,157)
Profit before taxation		209,180	451,076
Taxation		(87,170)	(99,159)
Profit after taxation		122,010	351,917
EARNINGS PER SHARE - BASIC (RUPEES)		0.59	1.71
EARNINGS PER SHARE - DILUTED (RUPEES)		0.59	1.71

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 Comprehensive Income (Un-audited)

For the Quarter ended March 31, 2025

	(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	(Rupees in thousand)	
PROFIT AFTER TAXATION	122,010	351,917
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Exchange difference on translation of foreign subsidiary	938	(2,079)
Other comprehensive income / (loss) for the period	938	(2,079)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	122,948	349,838

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 Quarter ended March 31, 2025

	Reserves							Total Equity	
	Share Capital	Capital Reserve					Revenue Reserve		Total
		Exchange translation reserve	Reserve for issuance of bonus shares	Share premium	Share options reserve	Share of employee share options reserve held by equity accounted investee	Un-appropriated profit		
Rupees in thousand									
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
Profit for the period ended 31 March 2024	-	-	-	-	-	-	351,917	351,917	351,917
Other comprehensive loss for the period ended 31 March 2024	-	(2,079)	-	-	-	-	-	(2,079)	(2,079)
Total comprehensive income for the period ended 31 March 2024	-	(2,079)	-	-	-	-	351,917	349,838	349,838
Balance as at 31 March 2024 - un-audited	2,059,175	(6,688)	1,390,684	1,713,028	895	-	1,678,705	4,776,624	6,835,799
Balance as at 31 December 2024 - audited	2,060,564	(7,600)	1,390,684	1,716,321	7,183	24,389	2,009,514	5,140,491	7,210,915
Adjustment due to equity accounted investee company	-	-	-	-	-	16,074	-	16,074	16,074
Profit for the period ended 31 March 2025	-	-	-	-	-	-	122,010	122,010	122,010
Other comprehensive income for the period ended 31 March 2025	-	938	-	-	-	-	-	938	938
Total comprehensive income for the period ended 31 March 2025	-	938	-	-	-	-	122,010	122,948	122,948
Balance as at 31 March 2025 - un-audited	2,060,564	(6,662)	1,390,684	1,716,321	7,183	40,463	2,131,524	5,279,513	7,340,077

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


Hassan Javed
(Chief Executive)


Arif Saeed
(Director)

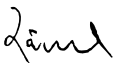

Usman Liaqat
(Chief Financial Officer)

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

For the Quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	Note	(Rupees in thousand)	
Cash flows from operating activities			
Cash used in operations	10	(278,078)	(217,848)
Finance cost paid		(88,434)	(221,232)
Income tax and levy paid		(114,364)	(53,884)
Workers' profit participation fund paid		-	(35,275)
Staff retirement benefit paid		(113)	(34,847)
Long term loans to employees - net		2,536	2,652
Long term security deposits - net		(273)	(54)
Net cash used in operating activities		(478,726)	(560,488)
Cash flows from investing activities			
Capital expenditure on fixed assets		(126,261)	(72,385)
Proceeds from disposal of fixed assets		819	1,197
Loan given to Service Industries Limited - Ultimate Holding Company		(74,000)	-
Loan repayment from Service Industries Limited - Ultimate Holding Company		2,574,000	900,000
Profit on bank deposits received		36,007	13,151
Mark-up received on loan to Service Industries Limited - Ultimate Holding Company		33,354	23,731
Long term investments made		-	(286,400)
Net cash from investing activities		2,443,919	579,294
Cash flows from financing activities			
Proceeds from long term financing		85,864	-
Repayment of long term financing		(9,130)	(7,840)
Short term borrowings - net		(2,418,946)	(1,520,058)
Dividend paid		-	(617,370)
Net cash used in financing activities		(2,342,212)	(2,145,268)
Effect of exchange rate changes on cash and cash equivalents		938	(1,645)
Net decrease in cash and cash equivalents		(376,081)	(2,128,107)
Cash and cash equivalents at the beginning of the period		796,471	2,951,229
Cash and cash equivalents at the end of the period		420,390	823,122

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 Quarter ended March 31, 2025

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.

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

For the Quarter ended March 31, 2025

2.1 Basis of preparation

a) 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:

- 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 2024.

3 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 2024.

3.1 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 2024.

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	(Rupees in thousand)	
4 LONG TERM FINANCING - SECURED		
Opening balance	312,969	362,364
Add: Obtained during the period / year	85,864	-
Less: Repaid during the period / year	(9,130)	(49,395)
	389,703	312,969
Less: Current portion shown under current liabilities	(59,543)	(59,543)
	330,160	253,426

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 Group for the year ended 31 December 2024 except for the following:

- 5.1.1** The Deputy Commissioner Inland Revenue (DCIR) passed an order dated 30 August 2024, under section 161 of the Income Tax Ordinance, 2001 for tax year 2021, whereby a demand of Rupees 168.699 million was raised, against which the Company filed a rectification application u/s 221 of the Income Tax Ordinance, 2001. The Commissioner Inland Revenue (CIR) vide its order Under Section 122A dated 22 Mar 2025 has deleted the entire demand and issued instructions to DCIR for afresh proceedings.
- 5.1.2** Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 272.807 million (31 December 2024: Rupees 546.689 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheques issued as security shall be encashable. The Holding 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 2024: 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 2,750 million (31 December 2024: Rupees 2,750 million) from the Holding Company.

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

For the Quarter ended March 31, 2025

5.1.3 Guarantee of Rupees 8 million (31 December 2024: Rupees 8 million) is given by the bank of the Holding Company to Pakistan State Oil Company Limited against fuel cards obtained by the Company for its employees.

5.1.4 Guarantees of Rupees 64 million (31 December 2024: Rupees 34 million) are given by the banks of the Holding Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.

5.2 Commitments

5.2.1 Letters of credit other than capital expenditure are of Rupees 296.709 million (31 December 2024: Rupees 159.510 million).

5.2.2 Contracts for capital expenditure are approximately of Rupees 207.007 million (31 December 2024: Rupees Nil).

5.2.3 Outstanding foreign currency forward contracts are of Rupees 3,576.160 million (31 December 2024: Rupees 2,422.185 million).

5.2.4 The Holding 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 Ujarah payments under Ijarah are as follows:

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	(Rupees in thousand)	
Not later than one year		3,175	5,828
Later than one year and not later than five years		-	-
		3,175	5,828

6 FIXED ASSETS

Operating fixed assets	6.1	2,905,007	2,880,774
Capital work-in-progress	6.2	115,178	80,167
		3,020,185	2,960,941

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
		(Rupees in thousand)	
6.1	Operating fixed assets		
	Opening net book value	2,880,774	2,981,977
	Add: Cost of additions during the period / year	6.1.1 91,110	199,177
	Less: Book value of deletions during the period / year	6.1.2 (969)	(14,526)
	Less: Depreciation charged during the period / year	(66,048)	(285,339)
	Currency retranslation	140	(515)
	Closing net book value	2,905,007	2,880,774

6.1.1 Cost of additions during the period / year

	Buildings on freehold land	-	45,246
	Plant and machinery	37,393	83,900
	Furniture, fixture and fittings	1,896	10,040
	Vehicles	-	24,107
	Service equipment	51,821	35,884
		91,110	199,177

6.1.2 Book value of deletions during the period / year

Cost of deletions:

	Buildings on freehold land	2,204	-
	Plant and machinery	1,765	685
	Furniture, fixture and fittings	-	20
	Vehicle	-	22,385
	Service equipment	544	4,414
		4,513	27,504
	Less: Accumulated depreciation	(3,544)	(12,978)
	Book value of deletions during the period / year	969	14,526

6.2 Capital work-in-progress

	Buildings on freehold land	104,178	30,297
	Plant and machinery	6,235	5,029
	Service equipment	1,547	41,841
	Furniture, fixture and fittings	48	-
	Vehicles	3,170	3,000
		115,178	80,167

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

For the Quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
		(Rupees in thousand)	
7	LONG TERM INVESTMENTS		
	Investment in associate (with significant influence) - under equity method	7.1 4,116,742	3,946,265
		4,116,742	3,946,265

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

Service Long March Tyres (Private) Limited - un-quoted
 270,971,704 (31 December 2024: 270,971,704) fully paid
 ordinary shares of Rupees 10 each
 Equity held: 18.91% (31 December 2024: 18.91%)

	2,720,975	2,720,975
As at the beginning of the period / year	1,225,290	257,114
Add: Share of post acquisition profit for the period / year	154,403	1,323,147
Less: Dividend received during the period / year	-	(379,360)
Add: Share of employee share options reserve	16,074	24,389
	1,395,767	1,225,290
	4,116,742	3,946,265

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

8 REVENUE

Revenue from contracts with customers:

Export sales	4,830,169	4,363,874
Local sales	53,885	251,115
	4,884,054	4,614,989
Less: Discounts, Commissions etc.	(73,112)	(70,621)
	4,810,942	4,544,368

	(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	(Rupees in thousand)	
9 COST OF SALES		
Raw materials consumed	2,113,767	2,170,619
Salaries, wages and other benefits	1,010,598	834,778
Stores and spares consumed	157,325	82,249
Packing materials consumed	276,832	200,744
Fuel and power	75,486	106,842
Insurance	6,602	5,934
Travelling and conveyance	20,179	13,296
Repair and maintenance	13,937	16,458
Entertainment	561	62
Depreciation	58,519	61,486
Rent, rates and taxes	2,512	407
Provision/ (Reversal of provision) for slow moving and obsolete inventory	2,173	(11,581)
Other manufacturing charges	24,969	38,092
	3,763,460	3,519,386
Movement in work in process	18,879	(60,415)
Cost of goods manufactured	3,782,339	3,458,971
Movement in finished goods	188,271	234,153
	3,970,610	3,693,124

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

For the Quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	Note	(Rupees in thousand)	
10 CASH USED IN OPERATIONS			
Profit before taxation and levy		251,500	513,233
Adjustments for non-cash charges and other items:			
Depreciation		66,048	69,770
Provision for gratuity		12,784	13,094
Finance cost		153,928	205,114
Loss/ (Gain) on disposal of operating fixed assets		150	(1,044)
Provision for workers' profit participation fund		-	6,930
Interest on workers' profit participation fund		-	1,285
Provision for workers' welfare fund		4,611	11,270
Provision / (Reversal of provision) for slow moving and obsolete inventory		2,173	(11,581)
Interest on bank deposits		(29,473)	(7,794)
Share of profit of equity accounted investee - net of taxation		(154,403)	(362,165)
Interest on loan to Ultimate Holding Company		(33,354)	(23,731)
Working capital changes	10.1	(552,042)	(632,229)
		(278,078)	(217,848)
10.1 Working capital changes			
Decrease / (increase) in current assets:			
Stores, spares and loose tools		(6,811)	(9,925)
Stock in trade		(43,519)	574,263
Trade debts		(363)	(405,180)
Loans and advances		(271,967)	123,998
Short term deposits and prepayments		(1,734)	(25,357)
Other receivables		(78,396)	(231,699)
		(402,790)	26,100
Decrease in trade and other payables		(149,252)	(658,329)
		(552,042)	(632,229)

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 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 31 March 2025 - Un-audited	Level 1	Level 2	Level 3	Total
--	----------------	----------------	----------------	--------------

(Rupees in thousand)

Financial assets

Derivative financial assets	-	72,063	-	72,063
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Recurring fair value measurements At 31 December 2024 - Audited	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial assets

Derivative financial assets	-	167,213	-	167,213
-----------------------------	---	---------	---	---------

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.

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

For the Quarter ended March 31, 2025

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

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

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

(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:

	(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	(Rupees in thousand)	
Service Industries Limited - Ultimate Holding company		
Sale of goods	19,411	173,171
Purchase of goods	173,532	80,722
Loan given	74,000	-
Loan repaid	2,574,000	900,000
Expenses charged to the holding company	62,072	58,946
Interest income	33,354	23,731
Processing charges	-	17,290
Dividend paid	-	490,650
Service Tyres (Private) Limited - Subsidiary company of the Ultimate Holding company		
Sale of goods	10,652	6,875

	(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
(Rupees in thousand)		
Service Retail (Private) Limited - Subsidiary company of the Ultimate Holding company		
Sale of goods	12,800	38,544
Key management personnel		
Remuneration	62,189	42,719
Meeting fee to directors - non executive	480	479
Cash dividend paid	-	10,125
Other related parties		
Post employment benefit plans	53,756	46,708

(ii) **Period end balances**

As at March, 31 2025 (Un-audited)			
	Ultimate Holding company	Other related parties	Total
(Rupees in thousand)			
Employees' retirement benefits payable	-	291,525	291,525
Trade debts	1,220	203	1,423
Trade and other payables	-	438	438
As at December 31, 2024 (Audited)			
	Ultimate Holding company	Other related parties	Total
(Rupees in thousand)			
Employees' retirement benefits payable	-	275,041	275,041
Trade debts	2,016	-	2,016
Trade and other payables	-	438	438
Other receivable	8,363	-	8,363
Loans and advances receivable	2,500,000	-	2,500,000

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

For the Quarter ended March 31, 2025

13 FINANCIAL RISK MANAGEMENT

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

14 DATE OF AUTHORIZATION FOR ISSUE

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

15 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.

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)

گروپ کی ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 31 مارچ 2025 ختم ہونے والی سہ ماہی کے لیے سروس گلوبل فنڈ ویز لمیٹڈ اور اس کے ذیلی اداروں کے مختصر مجموعی عبوری مالیاتی معلومات کے ساتھ اپنی رپورٹ پیش کرنے میں خوش محسوس کرتے ہیں۔

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

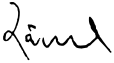
سروس گلوبل فنڈ ویز لمیٹڈ

سروس گلوبل فنڈ ویز لمیٹڈ کو 19 جولائی 2019 کو پاکستان میں ایک پبلک لمیٹڈ کمپنی کے طور پر ریجسٹر 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۔ 31 مارچ 2025 ختم ہونے والی سہ ماہی کے لیے سروس گلوبل فنڈ ویز لمیٹڈ کی کارکردگی پر ڈائریکٹر کے تبصرہ کی رپورٹ الگ سے پیش کی گئی ہے۔

ڈونگ گوان سروس گلوبل لمیٹڈ

ڈونگ گوان سروس گلوبل لمیٹڈ ایک لمیٹڈ لائیبلٹی کمپنی ہے (مکمل طور پر غیر ملکی قانونی شخص کی ملکیت ہے) جو کہ ڈونگ گوان ایڈمنسٹریشن 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 ٹوپیوں کی بڑے پیمانے پر فروخت، چمڑے کی مصنوعات کی فروخت، سلعے ہوئے ملبوسات اور اس سے منسلک خام مال کی فروخت، ہارڈ ویز مصنوعات کی بڑے پیمانے پر فروخت، گیز کی فروخت، روزمرہ کی ضروریات، ملبوسات کا معائنہ اور انکی فنشنگ 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 منظوری سے مشروط مصنوعات کے علاوہ، کاروباری لائسنس کے ساتھ قانون کے مطابق آزادانہ طور پر کاروباری سرگرمیاں انجام دینا) پر محیط ہے۔ ڈونگ گوان سروس گلوبل لمیٹڈ کمرہ 302، نمبر 18، ہوچی 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۔

مخائبہ بورڈ



حسن جاوید
چیف ایگزیکٹو



عارف سعید
چیئر مین

مورخہ 29 اپریل 2025

لاہور

مستقبل پر ایک نظر

SGFL اپنی مارکیٹ شیئر بڑھانے اور نئے صارفین کو شامل کرنے پر مسلسل توجہ مرکوز کیے ہوئے ہے۔ اس حکمت عملی کے نتیجے میں ہماری فروخت میں مسلسل اضافہ دیکھنے میں آیا ہے، اور یہ رجحان دوسرے سہ ماہی میں بھی برقرار رہنے کی توقع ہے۔ برآمد کنندگان کے لیے یہ ایک مشکل دور ہے جہاں منافع کی شرح دباؤ کا شکار ہے۔ تاہم، انتظامیہ مستقبل کی توسیع اور پائیدار ترقی کے مسلسل حصول کے لیے نئے صارفین کے ساتھ روابط بڑھانے پر توجہ مرکوز رکھے ہوئے ہے۔

ہمیں یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ ہم ایک نئے پروڈکشن ہال میں سرمایہ کاری کر رہے ہیں، جو ہماری پیداواری صلاحیت میں 30 فیصد اضافہ کرے گا۔ اس کا مقصد ابھرتے ہوئے مواقع سے فائدہ اٹھانا اور بھرپور تیاری کے ساتھ آگے بڑھنے کو یقینی بنانا ہے۔

حالیہ امریکی محصولات، عالمی سپلائی کے منظر نامے کو تبدیل کر رہے ہیں، جس سے امریکہ کی معیشت میں مہنگائی اور رکاوٹوں کے امکانات بڑھ گئے ہیں۔ تاہم، مستقبل قریب میں اگر پاکستان امریکہ کے ساتھ بہتر تجارتی معاہدے کرنے میں کامیاب ہو جاتا ہے تو چین اور ویتنام سے نکلنے والے امریکی کاروبار کو حاصل کرنے کا ایک بڑا موقع پیدا ہو سکتا ہے۔ SGFL نے اس سال نئی پیداواری صلاحیت میں بروقت سرمایہ کاری کر کے خود کو اس موقع سے فائدہ اٹھانے کے لیے بہترین طور پر تیار کر لیا ہے۔

مقامی اور بین الاقوامی منڈیوں میں درپیش مشکلات کے پیش نظر منافع پر دباؤ مستقبل قریب میں برقرار رہنے کا امکان ہے، تاہم، ہمیں دوسرے سہ ماہی میں بہتر فروخت کی توقع ہے، جو کہ پہلے سہ ماہی کے مقابلے میں اس سہ ماہی میں بہتر منافع کا سبب بنے گی۔

اظہارِ تشکر

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

منجانب بورڈ



عارف سعید

چیرمین



حسن جاوید

چیف ایگزیکٹو

مورخہ 29 اپریل 2025

لاہور

ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 31 مارچ 2025 کو ختم ہونے والی سہ ماہی کے لیے سروس گلوبل فنڈ ویزلیٹیڈ کی مختصر عبوری مالیاتی معلومات کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی کارکردگی کا موازنہ

31 مارچ 2025 کو ختم ہونے والی سہ ماہی کی سروس گلوبل فنڈ ویزلیٹیڈ کی انفرادی عبوری مالیاتی کارکردگی درج ذیل ہے۔

تفصیلات	سہ ماہی اختتام	
	مارچ 2024، 31 روپے، ہزار میں	مارچ 2025، 31 روپے، ہزار میں
خالص فروخت	4,541,895	4,793,152
گراس منافع	828,587	724,907
منافع قبل از لیوی اور ٹیکس	546,930	225,931
منافع بعد از لیوی اور ٹیکس	385,614	96,920
فی شیئر آمدنی	1.87	0.47
فیصد تبدیلی		
	5.53%	-12.51%
	-58.69%	-74.87%
	-74.87%	

31 مارچ 2025 ختم ہونے والی سہ ماہی میں، سروس گلوبل فنڈ ویزلیٹیڈ نے فروخت میں 5.53% نمو حاصل کی ہے، جس سے ہماری موجودہ مدت کی فروخت 4.79 ارب روپے تک پہنچ گئی، جبکہ پچھلے سال کی اسی مدت کی فروخت 4.54 ارب روپے تھی۔ تاہم، ہمیں متعدد دلاگت سے متعلق مسائل کا سامنا رہا جس کی وجہ سے گراس منافع کی شرح پچھلے سال کی اسی مدت کے مقابلے میں 12.51% کم ہوئی۔

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

- جولائی 2024 سے کم از کم اجرت میں 15 فیصد اضافہ کیا گیا۔
- گزشتہ سال کے اسی عرصے کے مقابلے میں روپے کی قدر میں 4 فیصد اضافہ ہوا۔
- بحیرہ احمر تنازعے کے باعث مال برداری کے اخراجات میں اضافہ ہوا۔
- سال کے دوسرے نصف حصے میں نئی مصنوعات کی تیاری پر سرمایہ کاری میں اضافہ کیا گیا۔

ایس جی ایف ایل (SGFL) کی سروس لائنگ مارچ (SLM) میں اسٹریٹیجک سرمایہ کاری نے گزشتہ سال نہایت اچھے نتائج دیے۔ زیرِ جائزہ سہ ماہی کے دوران ایس جی ایف ایل کو ایس ایل ایم سے منافع کا حصہ 154 ملین روپے حاصل ہوا۔ اگرچہ ایس ایل ایم کو امریکی ٹیرف کے نئے منظر نامے میں برآمدات کے محاذ پر عالمی سطح پر مشکلات کا سامنا ہے، تاہم وہ اپنے شعبے میں نمو حاصل کرنے کے لیے پُر اعتماد ہے۔

اس مدت کے دوران فی شیئر آمدنی 0.47 روپے رہی، جو گزشتہ سال کے اسی عرصے میں روپے 1.87 تھی۔

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

NOTES

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