

Reports & Un-Audited Accounts
for the 1st Quarter Ended
March 31, 2022

COMMITMENT TO EXCELLENCE..



Servis

Service Global Footwear Limited



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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

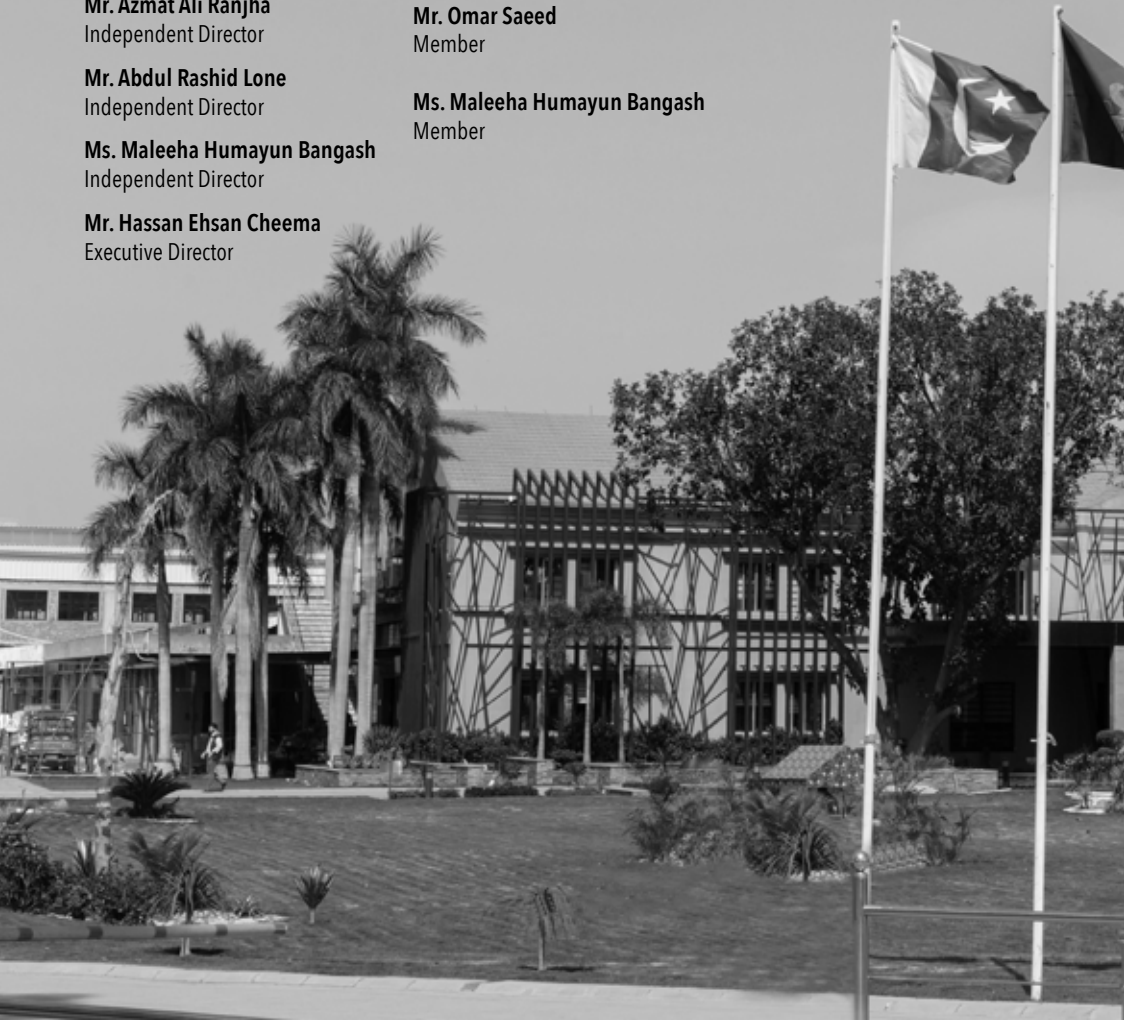
Chairman

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

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,

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.servisglobalfootwear.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 quarter ended March 31, 2022.

Key Performance Indicators

Please find below key performance indicators of condensed interim financial statements of SGFL for the Quarter ended March 31, 2022.

Particulars	Quarter Ended		
	March 31, 2022 "000"	March 31, 2021 "000"	Percentage Change
Net Sales	2,527,681	1,669,244	51.43%
Operating profit	318,941	224,373	42.15%
Profit before tax	269,274	177,864	51.39%
Net profit after tax	212,525	139,359	52.50%

SGFL recorded net sales of PKR 2.53 billion in its financial statements during the three months showing an increase of 51.43% from the same period last year. Net profit after tax amounted to PKR 212.53 million against profit after tax of PKR 139.40 million in the same period last year.

The Quarter under review has shown a healthy growth in sales which has resulted in increase in profitability. However, the profit margins have almost remained the same in both periods mainly due to increased cost of local and imported materials and exponential increase in freight of inbound and export shipments during the quarter under review.

The management of SGFL is deeply committed to deliver strong shareholder values by continuing the momentum of sales growth and increasing the profitability of the Company.

Future Outlook

We feel very confident over the performance of SGFL in the year 2022. After two years in a difficult market environment, markets are opening up at full capacity and we are witnessing a great response for SGFL products. We expect to close Q2 of 2022 at a similar level as Q1 and expect similar sale levels in the third and fourth quarters of 2022 as well. The bottom line is also expected to improve significantly in year 2022 because of various steps taken by the management in year 2021.

Our future growth strategies include the following:

- SGFL is planning to open a sales and development center in China later this year. Initial working is done and we are in the process of negotiating the whole project. As soon as the Covid situation improves in China, we will establish our permanent presence in this region. This office will help to source directly various shoe materials at competitive prices and develop the most updated ranges using new evolving technologies. This office will also serve as a new sales office in this region.
- SGFL has started to develop safety shoe as a new shoe category in its product line. Initial work is done and we expect some start up orders later this year on this category. This category will generate a new revenue stream in second half of this year.
- We have augmented our sales teams, which we expect will help bring in new business opportunities.

We expect with all these steps, SGFL will continue to grow and will deliver strong shareholder value in coming years.

Acknowledgment

We would like to convey our sincere appreciation to our colleagues on the Board for their valuable guidance and support and to all our employees for their tireless efforts, dedication, and commitment and to our customers for their trust in our products. On behalf of the Board, we also wish to extend our gratitude to our shareholders for their support and trust placed in us.

For and on behalf of the Board



Arif Saeed
Chairman

Dated: April 25, 2022
Lahore.



HASSAN JAVED
Chief Executive

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Financial Statements



Condensed Interim Statement of Financial Position (Unaudited)

As at March 31, 2022

	(Unaudited) March 31, 2022	(Audited) December 31, 2021
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
250,000,000 ordinary shares of Rupees 10 each	2,500,000	2,500,000
Issued, subscribed and paid-up share capital		
204,437,500 (2021: 163,550,000)		
ordinary shares of Rupees 10 each fully paid in cash	2,044,375	2,044,375
Reserves	4,902,300	4,685,013
Total equity	6,946,675	6,729,388
LIABILITIES		
Non-current liabilities		
Long term financing	234,077	252,589
Employees' retirement benefit	118,737	113,864
Deferred liabilities	-	2,761
	352,814	369,214
Current liabilities		
Trade and other payables	2,046,694	1,359,804
Accrued mark-up	31,307	31,064
Short term borrowings	5,268,520	3,924,075
Current portion of non-current liabilities	131,127	148,378
	7,477,648	5,463,321
Total liabilities	7,830,462	5,832,535
Contingencies and commitments	4	
TOTAL EQUITY AND LIABILITIES	14,777,137	12,561,923

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



Hassan Javed
Chief Executive

		(Unaudited) March 31, 2022	(Audited) December 31, 2021
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Fixed assets	5	2,184,933	2,131,404
Long term security deposits		11,854	11,116
Long term loans to employees		13,161	9,288
Long term investment	6	1,793,354	1,805,402
Long term loan to Holding Company		2,250,000	2,250,000
		6,253,302	6,207,210

Current assets

Stores, spares and loose tools	55,166	43,061
Stock in trade	2,068,744	2,093,095
Trade debts	1,481,882	817,714
Loans and advances	2,972,559	1,557,662
Accrued mark-up	106,038	57,837
Security deposits and prepayments	14,098	6,564
Other receivables	1,081,168	496,022
Advance income tax - net	309,166	347,341
Cash and bank balances	435,014	935,417
	8,523,835	6,354,713
Total Assets	14,777,137	12,561,923

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



Arif Saeed
(Director)




Usman Liaqat
(Chief Financial Officer)

Condensed Interim Statement of Profit or Loss (Unaudited)

For the quarter ended March 31, 2022

	Note	(Unaudited) March 31, 2022 (Rupees in thousand)	(Unaudited) March 31, 2021
Sales - net	7	2,527,681	1,669,244
Cost of sales	8	(1,957,288)	(1,294,624)
Gross profit		570,393	374,620
Distribution cost		(237,084)	(119,716)
Administrative expenses		(114,181)	(95,619)
Other expenses		(15,724)	(19,164)
		(366,989)	(234,499)
		203,404	140,121
Other Income		127,585	84,252
Profit from Operations		330,989	224,373
Finance cost		(49,667)	(46,509)
		281,322	177,864
Share of profit of equity accounted investee - net of taxation		(12,048)	-
Profit before taxation		269,274	177,864
Taxation		(56,749)	(38,505)
Profit after taxation		212,525	139,359
EARNINGS PER SHARE - BASIC (Rupees)		1.040	0.852
EARNINGS PER SHARE - DILUTED (Rupees)		1.040	0.852

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



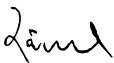
Usman Liaqat
(Chief Financial Officer)

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the quarter ended March 31, 2022

	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
Note	(Rupees in thousand)	
Profit after taxation	212,525	139,359
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 quarter ended 31 March 2022	-	-
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2022	212,525	139,359

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

Condensed Interim Statement of Changes in Equity (Unaudited)

For the quarter ended March 31, 2022

	Share Capital	Share Capital to be issued	RESERVES				TOTAL EQUITY
			CAPITAL RESERVE		REVENUE RESERVE	Total	
			Reserve for issuance of bonus Shares	Share premium			
Rupees in thousand							
Balance as at 31 December 2020 - audited	1,635,500	-	1,390,684	-	1,204,603	2,595,287	4,230,787
Profit for the quarter ended 31 March 2021 - unaudited	-	-	-	-	139,359	139,359	139,359
Other comprehensive income for the quarter ended 31 March 2021 - unaudited	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2021 - unaudited	-	-	-	-	139,359	139,359	139,359
Balance as at 31 March 2021 - unaudited	1,635,500	-	1,390,684	-	1,343,962	2,734,646	4,370,146
Balance as at 31 December 2021 - audited	2,044,375	-	1,390,684	1,669,274	18,723	1,606,332	4,685,013
Recognition of share option reserve scheme	-	-	-	4,762	4,762	-	4,762
Profit for the quarter ended 31 March 2022	-	-	-	-	212,525	212,525	212,525
Other comprehensive income for the quarter ended 31 March 2022	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2022	-	-	-	-	212,525	212,525	212,525
Balance as at 31 March 2022 - unaudited	2,044,375	-	1,390,684	1,669,274	23,485	1,818,857	4,902,300
							6,946,675



Arif Saeed
(Director)



Hassan Javed
(Chief Executive)



Usman Liaqat
(Chief Financial Officer)

Condensed Interim Statement of Cash Flows (Unaudited)

For the quarter ended March 31, 2022

	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	269,274	177,864
Adjustments for non-cash charges and other items:		
Depreciation	42,363	39,166
Provision for gratuity	5,079	5,214
Finance cost	49,667	46,509
Accrued interest on loan to Service Industries Limited - Holding Company	(106,038)	(76,345)
Provision for workers' profit participation fund	10,229	3,674
Provision for workers' welfare fund	5,495	2,988
Deferred income on government grant	(1,645)	-
Employee share option expense	4,762	-
Share of profit of equity accounted investee	12,048	-
Provision / (reversal) for slow moving and obsolete inventory	4,000	(2,732)
Operating profit before working capital changes	295,234	196,338
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(12,105)	7,041
Stock-in-trade	20,351	89,135
Trade debts	(664,168)	75,210
Loans, advances, trade deposits, prepayments and other receivables	(2,008,319)	84,078
	(2,664,241)	255,464
Increase in trade and other payables	671,166	(188,533)
	(1,993,075)	66,931
Cash generated from operations	(1,697,841)	263,269
Finance cost paid	(49,424)	(52,312)
Income tax paid	(18,574)	(56,649)
Employees' retirement benefits paid	(206)	(1,725)
Long term loans - net	(3,131)	(2,132)
Long term deposits - net	(738)	(97)
Net cash generated from operating activities	(1,769,914)	150,354

Condensed Interim Statement of Cash Flows (Unaudited)

For the quarter ended March 31, 2022

	(Unaudited) March 31, 2022	(Unaudited) March 31, 2021
	(Rupees in thousand)	
Cash flows from investing activities		
Capital expenditure on operating fixed assets - net	(95,892)	(64,817)
Mark-up received on loan to Service Industries Limited - Holding Company	57,837	65,840
Net cash used in investing activities	(38,055)	1,023
Cash flows from financing activities		
Long term financing - net	(36,879)	(27,442)
Short term borrowings - net	1,344,445	(1,108,667)
Net cash generated from financing activities	1,307,566	(1,136,109)
Net increase / (decrease) in cash and cash equivalents	(500,403)	(984,732)
Cash and cash equivalents at the beginning of the quarter	935,417	1,256,413
Cash and cash equivalents at the end of the quarter	435,014	271,681

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

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. The principal activities of the Company are manufacturing, sale, marketing, import and export of footwear, leather and allied products. The Company is the wholly owned subsidiary of Service Industries Limited.

As on 29 September 2020, Board of Directors of Service Industries Limited - Holding Company decided to decline the Company's right offer of 40,887,500 ordinary shares at par value of Rupees 10 per share. Further, Service Industries Limited - Holding Company accorded its approval to the Company to raise capital through Initial Public Offering (IPO) and get itself listed on Pakistan Stock Exchange Limited after fulfilling all applicable requirements.

2. Basis of Preparation

2.1 These 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 Financial Reporting Standards (IFRSs) 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 2021.

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 published financial statements of the Company for the year ended 31 December 2021.

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 published financial statements of the Company for the year ended 31 December 2021.

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

4. Contingencies and Commitments

4.1 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 2021 except for the following:

- 4.1.1** Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 1,761.159 million (2021: Rupees 1,657.194 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.

4.2 Commitments

- 4.2.1** Contracts for capital expenditure are approximately of Rupees 27.079 million (2021: Rupees 35.905 million).

- 4.2.2** Letters of credit other than capital expenditure are of Rupees 138.309 million (2021: Rupees 45.508 million).

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

		(Unaudited) March 31, 2022	(Audited) December 31, 2021
	Note	(Rupees in thousand)	
Not later than one year		13,511	13,818
Later than one year and not later than five years		22,190	24,644
		35,701	38,462
5	Fixed Assets		
Operating fixed assets	5.1	2,052,446	2,072,168
Capital work-in-progress		132,487	59,236
		2,184,933	2,131,404
5.1	Operating fixed assets		
Opening written down value		2,072,168	1,961,394
Add: Additions during quarter ended 31 March 2022	5.2	22,680	282,223
		2,094,848	2,243,617
Less: Disposals during the quarter (at book value)	5.2	(39)	(78)
		2,094,809	2,243,539
Less: Depreciation charged during the quarter ended March 31, 2022		(42,363)	(171,371)
		2,052,446	2,072,168

5.2 Following is the detail of additions and disposals during the quarter

	Additions	
	(Unaudited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in thousand)	
Buildings on freehold land	1,512	155,573
Plant and machinery	7,750	34,486
Furniture, fixture and fittings	370	8,129
Vehicles	-	9,418
Service equipment	13,048	74,617
	22,680	282,223

	Note	Disposals	
		(Unaudited) March 31, 2022	(Audited) December 31, 2021
		(Rupees in thousand)	
Service equipment		39	78

6 Long term investment

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

6.1 **1,793,354** 1,805,402

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

Service Long March Tyres (Private) Limited

178,699,500 (2021 : 178,699,500)

fully paid ordinary shares of Rupees 10 each

1,798,253 1,798,253

As at the beginning of the quarter / year

7,149 -

Add/(Less): Share of post acquisition loss for the quarter

(12,048) 8,202

Less: Adjustmnet due to deemed disposal

-

of equity accounted investe

(1,053)

(4,899) 7,149

1,793,354 1,805,402

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

	Note	(Unaudited) March 31, 2022 (Rupees in thousand)	(Unaudited) March 31, 2021
7 Sales - net			
Export sales		2,507,168	1,589,404
Local sales		51,467	79,802
		2,558,635	1,669,206
Less: Discounts, Commissions etc.		(30,954)	(22,241)
Add: Duty drawback		-	22,279
		2,527,681	1,669,244
8 Cost of sales			
Raw material consumed	8.1	1,012,994	677,180
Salaries, wages and other benefits		528,974	344,228
Stores and spares consumed		44,916	29,384
Packing materials consumed		134,257	71,960
Fuel and power		33,715	19,134
Insurance		1,759	1,541
Travelling		8,069	1,973
Repair and maintenance		9,879	9,005
Entertainment		952	987
Depreciation		41,119	38,732
Rent, rates and taxes		60	-
Provision of / (Reversal of provision) for slow moving and obsolete inventory		4,000	(2,732)
Other manufacturing charges		31,231	8,429
		1,851,925	1,199,821
Work-in-process			
Opening stock		489,315	250,274
Closing stock		(521,047)	(190,694)
		(31,732)	59,580
Cost of goods manufactured			
		1,820,193	1,259,401
Finished goods			
Opening stock		854,374	454,887
Purchases during the quarter		11,073	37,065
Closing stock		(728,352)	(456,729)
		137,095	35,223
		1,957,288	1,294,624

(Unaudited)	(Unaudited)
March	March
31, 2022	31, 2021
(Rupees in thousand)	

8.1 Raw materials consumed

Opening stock	745,827	684,426
Purchases during the quarter	1,081,912	643,192
Less: Closing stock	(814,745)	(650,438)
	1,012,994	677,180

9 Transactions with related parties

The related parties comprise of the Holding 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 financial statements are as follows:

(i) Transactions:

(Unaudited)	(Unaudited)
March	March
31, 2022	31, 2021
(Rupees in thousand)	

Nature of relationship	Nature of transactions		
Holding company			
Service Industries Limited	Sale of goods	6,208	3,435
	Expenses charged to the Company	55,101	35,972
	Purchase of goods	34,500	51,384
	Loan given	2,908,257	1,155,000
	Loan repaid	1,610,515	-
	Interest Income	106,038	76,345
Sub-subsidiary of the holding company			
Service Shoes Lanka (Private) Limited	Sale of goods	25,801	8,828
Associated company			
Jomo Technologies (Private) Limited	Sale of goods	14,220	11,854
Service Long March Tyres (Private) Limited	Share of Loss	12,048	-
Key management personnel			
	Remuneration	32,700	33,705
	Meeting fee to directors - non executive	320	-
Post employment benefit plans			
		27,961	20,751

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

(ii) Transactions:

As at 31 March 2022 (Un-audited)		
Holding company	Other related parties	Total

(Rupees in thousand)

Employee benefit plans	-	140,637	140,637
Trade debts	1,032	171,728	172,760
Trade and other payables	11,261	-	11,261
Accrued mark-up	106,038	-	106,038
Loan and advances	4,816,845	-	4,816,845

As at 31 December 2021 (Audited)		
Holding company	Other related parties	Total

(Rupees in thousand)

Employee benefit plans	-	134,391	134,391
Trade debts	103,367	159,315	262,682
Trade and other payables	-	3,885	3,885
Accrued mark-up	55,104	-	55,104
Loan and advances	3,519,102	-	3,519,102

10 Recognized fair value measurements - financial instruments

Fair value hierarchy

Certain financial assets and financial liabilities are 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. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

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.

11. The financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. These interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at December 31, 2021.

12 Detailed break-up utilization of the proceeds raised from the issue

The Company issued Prospectus dated 31 March 2021 in relation to the Issue of 40,887,500 ordinary shares (20% of the total post-IPO paid-up capital of the Company) of face value of Rupees 10 each. The Company has received subscription amount of Rupees 2,175,215,000 against Initial Public Offer of 40,887,500 ordinary shares of face value of Rupees 10 each at a price of Rupees 53.2 per ordinary share (including premium of Rupees 43.2 per ordinary share). On 26 April 2021, shares have been duly allotted to all shareholders. As per paragraph 4.1.5 of the Prospectus, the proceeds from IPO shall be utilized for equity investment in SLM. SLM shall utilize the proceeds to make payments to the contractors on account of Civil and Mechanical, Electrical and Plumbing (MEP) works of the Radial Bus and Truck Tyre Project. Detailed break-up utilization of the proceeds raised from the Issue for the period from 29 April 2021 to 31 March 2022 is as follows:

	(Rupees in thousand)
IPO Proceeds	2,175,215
Profit on term deposit receipt received by the Company	35,233
	2,210,448
Amount invested in 178,699,500 ordinary shares of Rupees 10 each of Service Long March Tyres (Private) Limited (SLM)	1,786,995
Amount retained with the Company in the shape of term deposit receipt	423,453
	2,210,448
Utilization of proceeds from issue of 178,699,500 ordinary shares of Rupees 10 each by Service Long March Tyres (Private) Limited:	
Payments to the contractors on account of civil and Mechanical, Electrical and Plumbing (MEP) works of the project	1,786,995

Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2022

13 Date of authorization for issue

These financial statements were authorized for issue on 25 April, 2022 by the Board of Directors of the Company.

14 Corresponding figures

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

15 General

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



Hassan Javed
(Chief Executive)



Arif Saeed
(Director)



Usman Liaqat
(Chief Financial Officer)

2) سروس گلوبل فنٹ ویئر لیمنڈ نے اپنی مصنوعات میں جو توں کی نئی قسم کے طور پر حفاظتی جوتے تیار کرنا شروع کر دیے ہیں۔ ابتدائی کام ہو چکا ہے اور ہم اس سال کے آخر میں جو توں کی اس قسم پر کچھ ابتدائی آرڈرز کی توقع کرتے ہیں۔ یہ شعبہ اس سال کی دوسری ششماہی سے آمدنی کا ایک نیا ذریعہ پیدا کرے گا۔

3) سروس گلوبل فنٹ ویئر لیمنڈ نے حال ہی میں اپنی فروخت کی ٹیم میں اضافہ کیا ہے تاکہ پہلے سے کہیں زیادہ فروخت کے مواقع تلاش کیے جاسکیں۔ ہم توقع کرتے ہیں کہ ان تمام اقدامات کے ساتھ، سروس گلوبل فنٹ ویئر لیمنڈ ترقی کرتا رہے گا اور آنے والے سالوں میں حصص یافتگان کو ان کے سرمایہ کی بہترین قدر فراہم کرے گا۔

اعتراف

ہم تہہ دل سے بورڈ کے ممبران کی قابل قدر رہنمائی اور تعاون کے مشکور ہیں۔ علاوہ ازیں ہم تمام ملازمین کی انتھک اور پر عزم کوششوں اور ہمارے گاہکوں کی ہماری مصنوعات پر اعتماد کے بھی شکر گزار ہیں۔ ہم بورڈ کی جانب سے اپنے حصص یافتگان کا مخلص ترین شکر یہ ادا کرتے ہیں۔ کہ انہوں نے ہم پر بھروسہ کیا اور ہماری غیر متزلزل حمایت جاری رکھی۔



حسن جاوید
چف ایگزیکٹو



عارف سعید
چیئرمین

مورخہ 25 اپریل 2022

ڈائریکٹرز

ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کی سروس گلوبل فٹ ویئر لمیٹڈ کی مختصر عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالی کارکردگی کا موازنہ

31 مارچ 2022 کو ختم ہونے والی سہ ماہی کی سروس گلوبل فٹ ویئر لمیٹڈ عبوری مالیاتی کارکردگی درج ذیل ہے۔

فیصد تبدیلی	سہ ماہی اختتام		تفصیلات
	مارچ 2021، روپے، ہزار میں	مارچ 2022، روپے، ہزار میں	
51.43%	1,669,244	2,527,681	خالص فروخت
42.15%	224,373	318,941	آپریٹنگ منافع
51.39%	177,864	269,274	منافع قبل از ٹیکس
52.50%	139,359	212,525	منافع بعد از ٹیکس

سروس گلوبل فٹ ویئر لمیٹڈ نے اس سہ ماہی میں اپنے مالیاتی گوشواروں کے مطابق 2.53 ارب روپے کی آمدن فروخت حاصل کی ہے جو کہ گزشتہ سال کی اس سہ ماہی کے مقابلے میں %51.43 زیادہ ہے۔ بعد از ٹیکس منافع 212.53 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں 139.40 ملین روپے تھا۔

زیر جائزہ سہ ماہی میں آمدن فروخت میں صحت مند اضافہ ہوا ہے جس کے نتیجے میں منافع میں اضافہ ہوا ہے۔ تاہم، دونوں ادوار میں منافع تقریباً یکساں رہا ہے جس کی بنیادی وجہ مقامی اور درآمدی خام مال کی قیمت میں اضافہ اور زیر جائزہ سہ ماہی کے دوران اندرون ملک اور برآمدی ترسیل کے اخراجات میں غیر معمولی اضافہ ہے۔

سروس گلوبل فٹ ویئر لمیٹڈ کی انتظامیہ فروخت میں اضافے کی رفتار کو برقرار رکھتے ہوئے اور کمپنی کے منافع میں اضافہ کرتے ہوئے حصص یافتگان کو ان کے سرمائے کی بہترین قدر فراہم کرنے کے لیے پرعزم ہے۔

مستقبل پر ایک نظر:

سال 2022 میں سروس گلوبل فٹ ویئر لمیٹڈ کی کارکردگی کے بارے میں بہت پر اعتماد ہیں۔ دو سال کے مشکل کاروباری ماحول کے بعد، کاروبار پوری طرح بحال ہو رہا ہے اور سروس گلوبل فٹ ویئر لمیٹڈ کی مصنوعات کو زبردست پذیرائی مل رہی ہے۔ ہم 2022 کی دوسری سہ ماہی میں بھی یکجہلی سہ ماہی کی سطح پر آمدن فروخت کی توقع رکھتے ہیں اور تیسری سہ ماہی میں بھی اسی طرح کی آمدن فروخت کی سطح کی توقع کرتے ہیں۔ سال 2021 میں انتظامیہ کی طرف سے اٹھائے گئے مختلف اقدامات کی وجہ سے سال 2022 میں منافع میں نمایاں بہتری آنے کی بھی توقع ہے۔ ہماری مستقبل میں نمو کی حکمت عملیاں درج ذیل ہیں۔

1) سروس گلوبل فٹ ویئر لمیٹڈ اس سال کے آخر میں چین میں فروخت اور ڈیویلپمنٹ سینٹر شروع کرنے کا منصوبہ بنا رہا ہے۔ ابتدائی معاملات طے کیے جا چکے ہیں اور منصوبے پر کئی طور پر مذاکرات جاری ہیں۔ جیسے ہی چین میں کرونا وبا کی صورتحال بہتر ہوگی، ہم اس خطے میں اپنی مستقل موجودگی قائم کر لیں گے۔ اس طرح مسابقتی قیمتوں پر جو توں کے مختلف خام مال کو براہ راست حاصل کرنے میں مدد ملے گی اور ابھرتی ہوئی ٹیکنالوجی کا استعمال کرتے ہوئے جدید ترین مصنوعات تیار کی جاسکیں گی۔ یہ دفتر اس خطے میں فروخت کے نئے دفتر کے طور پر بھی کام کرے گا۔

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