



# SERVICE INDUSTRIES LIMITED

**HEAD OFFICE:**  
Servis House  
2 Main Gulberg,  
Lahore-54662 (Pakistan)

Tel : PABX 5751990 to  
5751996

Fax : 5711827, 5712109  
: 5710593

**FACTORIES:**

**1. GUJRAT FACTORY**  
G.T. Road, Gujrat, Pakistan.  
Tel : 521061 to 521064  
Fax : 521068

**2. MURIDKE FACTORY**  
10<sup>th</sup> K.M.  
Muridke-Sheikhupura Road,  
Tel : 7991711, 7991712  
7220936  
Fax : 7991713

**KARACHI OFFICE:**

10<sup>th</sup> Floor, Adamjee House,  
I.I.Chundrigar Road, Karachi.  
Tel : 2413443 / 2428527  
Fax : 2411601

SIL/KSE/CS/04

August 28, 2015

**The General Manager**  
Karachi Stock Exchange Limited,  
Stock Exchange Building,  
Karachi.

BY Courier/PUCARS

**The General Manager**  
Lahore Stock Exchange Limited,  
19-Khayaban-e-Aiwan-e-Iqbal,  
Lahore

Dear Sir,

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

We enclose herewith copy of the Notice of Extraordinary General Meeting of the Company to be published in the following Newspapers on August 31, 2015:

- BUSINESS RECORDER (LAHORE AND KARACHI)
- NAWA-I-WAQT (LAHORE AND KARACHI)

The above is submitted for information of the Exchange.

Yours sincerely,

**SERVICE INDUSTRIES LIMITED**

**WAHEED ASHRAF**  
Company Secretary



# SERVICE INDUSTRIES LIMITED

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the shareholders of Service Industries Limited (the "Company") will be held on Tuesday, September 22, 2015 at 11:00 a.m. at Shalimar Tower Hotel, Adjacent Servis House, 2-Main Gulberg, Lahore to consider and if thought fit, pass the following resolution, with or without modification, under Section 208 of the Companies Ordinance, 1984 in respect of the special business of investment in associated undertaking, as recommended by the Board of Directors of the Company:

**"Resolved** by way of special resolution that pursuant to the requirement of Section 208 of the Companies Ordinance, 1984, approval of the members of Service Industries Limited (the "Company") be and is hereby accorded to make long term equity investment of up to Rs. 28.54 million in Speed (Private) Limited, an associated Company, for partially subscribing Right Shares Entitlement (17,870 shares) at Rs. 1,597.15 per share (including premium of Rs. 1,497.15 per share) out of total 35,709 right shares offered to the Company by way of right shares, as per terms and conditions disclosed to the members.

**Further Resolved** that the Company be and is hereby authorized to renounce its remaining portion of 17,839 Right Shares Entitlement in favor of financial institution(s) as may be decided by the Boards of Directors of the Company and the Speed (Private) Limited.

**Further resolved** that Mr. Omar Saeed, Chief Executive or Mr. Arif Saeed, Director or Mr. Hassan Javed, Director of the Company be and are hereby singly empowered and authorized to undertake the decisions of said investment and to take and do and/or cause to be taken or done any / all necessary acts, deeds and things, take any or all necessary actions which are or may be necessary, incidental and/or consequential to give effect to the above resolution including signing and execution of documents and agreements and to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purposes of implementing the above resolution."

A statement under Section 160(1)(b) of the Companies Ordinance, 1984 pertaining to the Special Business referred to above is annexed to this notice of Meeting.

By Order of the Board

Lahore  
August 31, 2015

**WAHEED ASHRAF**  
Company Secretary

### **NOTES:**

1. The Share Transfer Books of the Company will remain closed from September 15, 2015 to September 22, 2015 (both days inclusive). Transfers received in order by our Shares Registrar, M/s. Hameed Majeed Associates (Private) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore by the close of business on September 14, 2015 will be considered in time for the purpose of determination of entitlement to attend and vote in the Extraordinary General Meeting.
2. A member of the Company entitled to attend and vote at the Extraordinary General Meeting may appoint another member as his/her proxy to attend and vote in place of him/her at the meeting. Proxies in order to be effective must be received at the Registered Office of the Company duly



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stamped and signed not less than 48 hours before the time of meeting. A proxy must be a member of the Company.

3. Shareholders, who have deposited their shares into Central Depository Company of Pakistan, must bring their participant's ID numbers and account/sub account numbers along with original Computerized National Identity Cards or original Passports at the time of attending the meeting in order to facilitate identification of respective shareholders.
4. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.
5. Shareholders who have not provided copies of their valid CNICs are requested to send the same to the Company's Independent Share Registrar, M/s. Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore.
6. In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged when shareholders can get amount of the dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 has advised all listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. You are encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.
7. Pursuant to Notification vide SRO 787 (1)/2014 dated September 08, 2014; the Securities and Exchange Commission of Pakistan (SECP) has directed all companies to facilitate their members receiving Annual Financial Statements and Notice of Annual General Meeting (Notice) through electronic mail system (e-mail). The Company is pleased to offer this facility to our valued members who desire to receive Annual Financial Statements and Notices through email in future. In this regard, those members who wish to avail this facility are hereby requested to convey their consent via email on a standard request form which is available at the Company website i.e. at [www.servisgroup.com](http://www.servisgroup.com).
8. Members are advised to immediately notify the change in their addresses, if any to our Shares Registrar.

### **STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984, CONCERNING THE SPECIAL BUSINESS:**

This statement sets out the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of the Company to be held on September 22, 2015.

#### **Investment in Speed (Private) Limited**

Speed (Private) Limited (SPL) was incorporated on November 03, 2000 to transact the business of retail, wholesale and distribution of International Brands such as Nike, Charles & Keith, Pedro, Tag Heuer, Timex and Oris. The authorized share capital of the SPL is Rs. 85,000,000 divided into 850,000 ordinary shares of Rs. 100 each while its paid up capital is Rs. 64,283,900 divided into 642,839 ordinary shares of Rs. 100 each.



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The current shareholding of SPL is as follows:

Particulars	Percentage	No. of shares held
Mr. Ghouse Akbar	59.89	385,000
Mr. Adil Matcheswalla	7.78	50,000
Ms. Tara S. Matcheswalla	10.11	65,000
Service Industries Limited (SIL)	22.22	142,839
<b>Total</b>	<b>100.00</b>	<b>642,839</b>

The Board of Directors of Speed (Private) Limited has declared 25% right shares i.e. 160,709 right shares of Rs. 100 each at premium of Rs. 1,497.15 to its shareholders.

The Service Industries Limited (SIL) has received letter of Rights dated July 06, 2015 from the Speed (Private) Limited for its entitlement of 35,709 shares. The Board of Directors of SIL in their meeting held on August 27, 2015 has decided to subscribe partially for 17,870 right shares and renounced the remaining portion of its entitlement of 17,839 right shares in favor of financial institution(s) as may be decided by the Board of Directors of the company and the SPL to induct a new partner / shareholder. The marginal decrease in shareholding of the Company in SPL (i.e. from 22.22% to 20.00%) does not significantly change its stake in SPL. Furthermore, induction of an institutional investor will contribute towards growth and future valuations of the Company. All other shareholders of SPL will forego all their Right Entitlement in favor of the financial institution. After the completion of right issue and joining of the financial institution as a new partner in SPL, the shareholding of SPL will be as follows:

Particulars	Percentage	No. of shares after right issue
Mr. Ghouse Akbar	47.91	385,000
Mr. Adil Matcheswalla	6.22	50,000
Ms. Tara S. Matcheswalla	8.09	65,000
Service Industries Limited	20.00	160,709
Financial Institution	17.78	142,839
<b>Total</b>	<b>100.00</b>	<b>803,548</b>

The Directors submit that they have carried out necessary due diligence for the proposed investment in SPL.

**Information as required under S.R.O No. 27 (I)/2012 dated January 16, 2012 Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2012 is as under:**

Ref. No.	Requirement	Information
i	Name of the associated company	Speed (Private) Limited
	Criteria of associated relationship	Common directorship
ii	Purpose, benefits and period of investment	Long term investment by way of subscription of right shares will benefit the Company as it will earn better returns in the long run on this strategic investment.
iii	Maximum amount of investment	Rs. 28.54 million by subscribing partially Right Shares Entitlement.
iv	Maximum price at which securities will be acquired	Rs. 1,597.15 per share (including premium of Rs. 1,497.15 per share). PAR Value of the share is Rs. 100.



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v	Maximum number of securities to be acquired	17,870 shares
vi	Number of securities and percentage held before and after investment	Before Investment 142,839 Ordinary shares (22.22%)  After Investment 160,709 Ordinary shares (20.00%)
vii	Requirement in case of investment in listed securities	Not Applicable
viii	Requirement in case of investment in unlisted securities, fair market value of such securities	The fair market value of the share determined in terms of Regulation 6(1) is Rs. 2,213.22 per share
ix	Break-up value of securities intended to be acquired on the basis of latest audited financial statements	Rs. 916.86 per share as of June 30, 2014
x	Earnings per share of the associated Company for the last three years	Earnings per share: 2014 – Rs. 340.49 2013 – Rs. 257.88 2012 – Rs. 205.09
xi	Sources of fund from which securities will be acquired	Own funds of the Company.
xii	Requirements if securities are intended to be acquired using borrowed funds	Not applicable.
xiii	Salient features of agreement(s) entered into with the associated Company	The shares are being offered as right shares, therefore, no agreement is required for subscription of right shares.
xiv	Direct / Indirect interest of directors in the associated company	None of the directors, sponsors, majority shareholders and their relatives of the Company have any interest, directly or indirectly, in the proposed investment or SPL except as stated below:  Mr. Omar Saeed director of the Company is also a Director of Speed (Private) Limited and holds 250 shares as qualifying shares.  The Company as one of the sponsors currently hold 22.22% shareholding of SPL.  SPL and its sponsors and directors have no interest in the Company except as stated above.
xv	Any other important detail	None
xvi	In the case of the project that has not started its operation, then description of the project	Not applicable.
	Starting date of work	Not applicable.
	Completion of work	Not applicable.
	Commercial operations date	Not applicable.
	Expected time by which the project shall start paying return on investment	Not applicable.



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### Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

The Company in its Extraordinary General Meeting held on July 24, 2014 had approved investment in S2 Power Limited. Its requisite details are as follows:

Name of Investee Company	S2 Power Limited
Total Investment Approved	Long term equity investment up to Rs. 25 million for purchase of 2,500,000 shares was approved by the members in EOGM held on July 24, 2014 which is valid for the period of three (3) years (up till July 23, 2017) pursuant to Section 208 of the Companies Ordinance, 1984.
Amount of Investment made to date	No investment has been made so far by the Company.
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time	The project is still in initial stages of approval. The investment will be made as and when funds are required by the associated company.
Material change in financial statements of associated company or associated undertaking since the date of the resolution passed for approval of investment in such company	S2 Power Limited is a newly incorporated company/ There is no material change in the financial statement of the company since the date of passing of special resolution.

#### Inspection:

All the documents related to the special business are being kept at the register office of the Company for inspection during usual business hours till the date of the Extraordinary General Meeting.