



SERVICE INDUSTRIES LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the shareholders of Service Industries Limited will be held on **Friday the July 28, 2017 at 11:00 a.m.** at Shalimar Tower Hotel, Adjacent Servis House, 2-Main Gulberg, Lahore to transact the following business:

Ordinary Business:

1. To elect Nine (9) Directors of the Company, as fixed by the Board of Directors, in accordance with the provisions of Section 159(1) of the Companies Act, 2017 for a term of three years commencing from July 31, 2017. The names of retiring Directors are as follows:

- | | |
|---------------------|------------------------------|
| 1. Mr. Ahmed Javed | 6. Mr. Riaz Ahmed |
| 2. Mr. Omar Saeed | 7. Mr. Muhammad Amin |
| 3. Mr. M. Ijaz Butt | 8. Mr. Shaukat Ellahi Shaikh |
| 4. Mr. Arif Saeed | 9. Mr. Qaisar Mufti |
| 5. Mr. Hassan Javed | |

The retiring Directors are eligible to offer themselves for re-election.

Special Business:

2. To consider, and if thought fit, to pass the following resolution as special resolution with or without modification:

Resolved that pursuant to the requirement of Section 199(4) of the Companies Act, 2017 read with regulation No. 8(1) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2012 issued vide SRO 27(1)/2012 dated 16 January 2012, the validity of special resolution passed in the Extraordinary General Meeting of the Company held on July 24, 2014 for investment of up to Rs. 25 million by way of acquisition of 2,500,000 ordinary shares of S2 Power Limited, an associated company be and is hereby extended for further three years to allow the Company to invest till July 27, 2020 with other terms and conditions of the investment to remain unchanged.

Further resolved that Mr. Omar Saeed, Chief Executive or Mr. Arif Saeed or Mr. Hassan Javed, Directors of the Company, be and are hereby authorized and empowered on behalf of the Company to take all steps and actions necessary, ancillary and incidental for making the investment(s) in S2 Power Limited and sign, execute and amend such documents, papers, instruments etc., as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the aforesaid resolution".

By Order of the Board

Lahore
July 06, 2017

WAHEED ASHRAF
Company Secretary



SERVICE INDUSTRIES LIMITED

NOTES:

1. The Share Transfer Books of the Company will remain closed from July 21, 2017 to July 28, 2017 (both days inclusive). Transfers received in order by our Shares Registrar, M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on July 20, 2017 will be considered in time for the purpose of attending and voting at the meeting.
2. Any member who seeks to contest the election of Directors shall file with the Company at its registered office not later than fourteen days before the date of meeting, the following documents:
 - i. Notice of his/her intention to offer himself/herself for election of directors in terms of Section 159(3) of the Companies Act, 2017, together with the consent to act as a director in Form 28 prescribed under Section 167 of the Companies Act, 2017;
 - ii. A detailed profile along with office address as required under SECP's SRO 634(1)/2014 dated 10 July 2014;
 - iii. A declaration confirming that:
 - 1) He/she is aware of duties and powers under the relevant laws, Memorandum & Articles of Association of Company and listing regulations of stock exchanges;
 - 2) He/she and his/her spouse does not engage in business of stock brokerage;
 - 3) He/she is not serving as a director in more than seven (7) listed companies including this Company excluding directorship in listed subsidiaries of listed holding companies;
 - 4) He/she is not ineligible to become a director of a listed company under any applicable laws and regulations.
3. 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 stamped and signed not less than 48 hours before the time of meeting.
4. 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.
5. 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.
6. Members are advised to immediately notify the change in their addresses, if any to our registrar M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore
7. Members who have not yet submitted copies of their Computerized National Identity cards (CNIC) are requested to send the same to our Shares Registrar at the earliest.
8. In terms of Section 134 of the Companies Act, 2017, if certain members who hold ten percent of the total paid up capital or such other percentage as may be specified, reside in a city, it shall be mentioned in the notice that such members, may demand the company to provide them the



SERVICE INDUSTRIES LIMITED

facility of video-link for attending the meeting. However, in terms of Section 2(73) of the Companies Act, 2017, attending of meetings shall be subject to the manner as may be specified. As the SECP has not so far issued regulations specifying the manner for attending and voting through video-link, therefore, the said facility cannot be made available to the Members for this meeting.

9. The statement under Section 134(3) and 166(3) of the Companies Act, 2017 is annexed to the notice of meeting being sent to the shareholders.

STATEMENT UNDER SECTION 134(3) & 166(3) OF THE COMPANIES ACT, 2017 CONCERNING THE BUSINESSES TO BE TRANSACTED AT THE EXTRAORDINARY GENERAL MEETING:

This statement sets out the material facts concerning the businesses to be transacted at the Extraordinary General Meeting of the Company to be held on July 28, 2017.

Item No. 1 of the Agenda - Justification for nominating the Independent Director

In compliance of Section 166(3) of the Companies Act, 2017, for an Independent Director, consent papers will be accepted of those persons who meet the criteria of independence as specified in Section 166(2) of the Companies Act, 2017.

Item No. 2 of the Agenda - Extension of validity of resolution for investment in S2 Power Limited

The members of Service Industries Limited in their Extraordinary General Meeting of the Company held on July 24, 2014 had approved investment in the shares of S2 Power Limited, an associated company up to an amount of Rs. 25 million for the purchase of 2,500,000 shares.

Regulation No. 8(1) of Companies (Investment in Associated Companies or Associated Undertakings) Regulation 2012 issued vide SRO 27 (1)/2012 dated 16 January 2012 requires that special resolution authorizing investment in associated companies or undertakings shall be valid for a period of twelve months unless specifically authorized by the members in the general meeting. Further, Section 199 of the Companies Act, 2017 requires that no change in nature and terms and condition of the investment shall be made except under the authority of a special resolution.

The members in Extraordinary General Meeting of the Company held on July 24, 2014 approved that the investment in S2 Power Limited may be made up to July 23, 2017. It is now proposed to further extend the validity of special resolution for further three years up to July 27, 2020.

Accordingly, the change in the period of investment is being presented to the shareholders for approval through passing of special resolution to fulfill the requirements of the law and regulations.

None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed special resolution, except to the extent of their shareholding in the associated Company.



SERVICE INDUSTRIES LIMITED

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

Name of Investee Company	S2 Power Limited	Service Industries Capital (Private) Limited	S2 Hydro 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 for the period of three (3) years.	Long term Equity investment up to Rs. 300 million for purchase of 30,000,000 shares was approved by the members in EOGM held on November 06, 2015 for the period of five (5) years.	Long term equity investment up to Rs. 50 million for purchase of 5,000,000 shares was approved by the members in AGM held on April 25, 2016 for the period of three (3) years.
Amount of Investment made to date	An investment of Rs. 240,000 has been made so far by the Company. The remaining investment will be made as and when funds are required by the associated company.	An investment of Rs. 125.68 million has been made so far by the Company. The remaining investment will be made as and when funds are required by the associated company.	An investment of Rs. 240,000 has been made so far by the Company. The remaining investment will be made as and when funds are required by the associated company.
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time	The investment will be made as and when funds are required by the associated company. The resolution is valid for three (3) years.	The investment will be made as and when funds are required by the associated company. The resolution is valid for five (5) years.	The investment will be made as and when funds are required by the associated company. The resolution is valid for three (3) years.
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	The balance sheet size of S2 Power Limited as at June 30, 2016 is Rs. 5.50 million and loss incurred for the year ended June 30, 2016 is Rs. 1.31 million.	The balance sheet size of Service Industries Capital (Private) Limited as at December 31, 2016 is Rs. 125.60 million and loss incurred during the period from November 10, 2015 to December 31, 2016 is Rs. 1.07 million.	There is no material change in the financial statement of the company since the date of passing of special resolution.

Inspection:

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