



# SERVICE INDUSTRIES LIMITED

Servis House, 2-Main Gulberg, Lahore

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 62<sup>nd</sup> Annual General Meeting ("AGM") of Service Industries Limited will be held on **Tuesday, the April 30, 2019 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 receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the year ended December 31, 2018, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
2. To approve, as recommended by the Board of Directors, the payment of final cash dividend of Rs. 30 per share i.e. @ 300% for the year ended December 31, 2018.
3. To appoint Company's auditors and fix their remuneration. The Board and the Audit Committee have recommended the appointment of M/s. Riaz Ahmad & Company, Chartered Accountants as auditors of the Company in place of retiring auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants. Accordingly, the members are hereby given the notice as required under Section 246(2) of the Companies Act, 2017 regarding appointment of an auditor other than the retiring auditors.

### Special Business:

4. To approve, as recommended by the Directors, issue of bonus shares in proportion of 25 Ordinary Shares for every 100 Ordinary shares held by the Members (i.e. @ 25%).

Attached to this Notice is a statement of material facts and proposed resolution(s) pertaining to the Special business to be transacted at the AGM.

By Order of the Board

Lahore  
April 08, 2019

**WAHEED ASHRAF**  
Company Secretary

### NOTES:

1. The Share Transfer Books of the Company will remain closed from April 23, 2019 to April 30, 2019 (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 April 22, 2019 will be considered in time for the purpose of entitlement of final cash dividend and bonus shares to the transferees and to attend and vote at the AGM.
2. A member of the Company entitled to attend and vote at the AGM 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. A proxy must be a member of the Company.





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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. 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.
4. In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website [www.servisgroup.com](http://www.servisgroup.com) and send it duly signed along with a copy of CNIC to the Shares Registrar of the Company M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's Broker/Participant/CDC Account Services.
5. As approved by the members in their meeting held on September 27, 2016, the Company has sent its Annual Report 2018 to its shareholders in the form of CD. Any member requiring printed copy of Annual Report 2018 may send a request using a Standard Request Form placed on Company's website.
6. The Government of Pakistan has made certain amendments in the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as follows:

(a) For filers of income tax returns	15%
(b) For non-filers of income tax returns	20%

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 20% all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of the cash dividend, otherwise tax on their cash dividend will be deducted @20% instead of 15%.

In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax will be deducted by the Company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio/CDC A/C No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
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For any query/problem/information, the members may contact the Shares Registrar: Mr. Muhammad Akbar Moghal, Phone No. 042-35839182, 35916714, 5916719, e-mail address [corplink786@gmail.com](mailto:corplink786@gmail.com) and / or the Company: Mr. Bashir Ahmed, Phone No. 042-35751990, email address [shareholders@servis.com](mailto:shareholders@servis.com).

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should





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send a copy of their NTN certificate to the Company or the Shares Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

7. A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Income Tax Ordinance, 2001 and wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of book closure otherwise tax will be deducted according to applicable law.
8. Pursuant to Section 223(7) of the companies Act, 2017 the Company can send the financial statements etc., to its shareholders electronically. In this regard, the members are requested to send their email information on the standard form which is available at the website of the Company [www.servisgroup.com](http://www.servisgroup.com). Please ensure that your email account has sufficient rights and space available to receive such email. Further, it is the responsibility of the member(s) to timely update the Company / Shares Registrar of any change in his (her/its/their) registered email address.
9. Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least ten (10) days prior to the date of the meeting on the Standard Form available on the company's website.
10. The Company has placed the Audited Annual Financial Statements for the year ended 31 December 2018 along with Auditors and Directors Reports thereon and Chairman's Review Report on its website: [www.servisgroup.com](http://www.servisgroup.com).
11. Members having physical shares are requested to immediately notify the change in their addresses, if any to our Shares Registrar, whereas CDC account holders are requested to contact their CDC Participant / CDC Account Services.

### **STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING:**

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on April 30, 2019.

#### **Item No. 4 of the Agenda - Issue of Bonus Shares to Members**

The Board of Directors in their meeting held on April 03, 2019 have recommended issue of bonus shares in proportion of 25 Ordinary Shares for every 100 Ordinary Shares held by the Members (i.e. 25%) and decided that a sum of Rs 30,071,970 be appropriated from the free reserves for issue of 3,007,197 Bonus Shares. After the issue of bonus shares, the paid-up capital of the Company will increase to Rs. 150,359,860. The Directors are of the opinion that the reserves of the Company are adequate for capitalization of Rs. 30,071,970 for issue of proposed bonus shares.

The following resolution is proposed to be passed as Ordinary Resolution, with or without modification.

  




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## “Resolved that

- (i) A sum of Rs. 30,071,970 (Rupees thirty million seventy one thousand nine hundred seventy) out of the free reserves of the Company be capitalized and applied towards issue of 3,007,197 Ordinary Shares of Rs. 10 each as bonus shares in the proportion of 25 Ordinary Shares for every 100 Ordinary shares (i.e., @25%) held by every Member whose name appears on the Members' Register at the close of business on April 22, 2019.
- (ii) These bonus shares shall rank pari passu in all respects with the existing shares but shall not be eligible for the final cash dividend declared for the year ended December 31, 2018.
- (iii) Members entitled to fractions of shares shall be given the sale proceeds of their fractional entitlements for which purpose the fractions shall be consolidated into whole shares and sold on the Pakistan Stock Exchange Limited.
- (iv) The Chief Executive Officer or any Director be and is hereby authorized to give effect to this resolution and to do or cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of the said bonus shares, sale of fractions and payment of the sale proceeds of the fractional shares.”

The Directors of the Company are not directly or indirectly interested in this special business except to the extent of entitlements of bonus shares on their shareholdings.

## Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	S2 Power Limited	Service Industries Capital (Private) Limited	S2 Hydro Limited
<b>Total Investment Approved</b>	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. The validity of resolution for investment in S2 Power Limited was extended, in the EOGM of the Company held on July 28, 2017, for further three (3) years i.e., up to July 27, 2020.	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.

*Wahid*





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<b>Amount of Investment made to date</b>	An investment of Rs. 240,000 has been made so far by the Company.	An investment of Rs. 218.68 million has been made so far by the Company.	An investment of Rs. 240,000 has been made so far by the Company.
<b>Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in a specified time</b>	The investment will be made as and when funds are required by the associated Company.	The investment will be made as and when funds are required by the subsidiary Company.	The investment will be made as and when funds are required by the associated Company.
<b>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</b>	As per audited financial statements for the year ended June 30, 2015 the balance sheet size was Rs. 20,000, loss after tax was Rs. 553,975 and loss per share was Rs. 276.99. As per latest audited financial statements for the year ended June 30, 2018 the balance sheet size is Rs. 3, loss for the year is Rs. 125,522 and loss per share is Rs. 2.51.	As per audited financial statements for the year ended December 31, 2016 the balance sheet size was Rs. 125,598,508, loss after tax was Rs. 1,076,142 and loss per share was Rs. 8.85. As per latest audited financial statements for the year ended December 31, 2018 the balance sheet size is Rs. 260,729,642, profit after tax is Rs. 37,446,742 and earnings per share is Rs. 1.71.	There is no material change in the financial statement of the company since the date of passing of special resolution.

