



SERVICE INDUSTRIES LIMITED

Servis House, 2-Main Gulberg, Lahore

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Service Industries Limited (the "Company") will be held on **Tuesday, November 26, 2019 at 11:00 a.m.** at Shalimar Tower Hotel, Adjacent Servis House, 2-Main Gulberg, Lahore, to transact the following business:

Special Business:

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 Extraordinary General Meeting.

By Order of the Board

Lahore
November 04, 2019

WAHEED ASHRAF
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from November 19, 2019 to November 26, 2019 (both days inclusive). Transfers received in order by our Shares Registrar, M/s. Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on November 18, 2019 will be considered in time for the purpose of entitlement of bonus shares and to attend and vote at 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 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. 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. 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.
5. 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.





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

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 November 26, 2019.

Issue of Bonus Shares to Members

The Board of Directors in their meeting held on October 24, 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 37,589,960 be appropriated from the free reserves for issue of 3,758,996 Bonus Shares. After the issue of bonus shares, the paid-up capital of the Company will increase to Rs. 187,949,820. The Directors are of the opinion that the reserves of the Company are adequate for capitalization of Rs. 37,589,960 for issue of proposed bonus shares.

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

“Resolved that

- (i) A sum of Rs. 37,589,960 (Rupees thirty seven million five hundred eighty nine thousand nine hundred sixty) out of the free reserves of the Company be capitalized and applied towards issue of 3,758,996 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 November 18, 2019.
- (ii) These bonus shares shall rank pari passu in all respects with the existing shares.
- (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.





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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
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. 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.
Amount of Investment made to date	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.
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in a specified time	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.
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	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.



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