



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 64th Annual General Meeting ("AGM") of Service Industries Limited (the Company) will be held on **Wednesday, the April 28, 2021 at 11:00 a.m.** through video link facility from the registered office of the Company situated at Servis House, 2-Main Gulberg, Lahore, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the separate and consolidated audited financial statements of the Company for the year ended December 31, 2020, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
2. To approve the final cash dividend of Rs. 15 per share i.e. 150% as recommended by the Board of Directors for the year ended December 31, 2020.
3. To appoint Auditors and to fix their remuneration. The members are hereby given notice that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s. Riaz Ahmad & Company, Chartered Accountants for re-appointment as auditors of the Company.

Special Business:

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

Attached to this Notice circulated to the members, is a statement of material facts under Section 134(3) of the Companies Act, 2017 pertaining to the Special Business to be transacted at the Annual General Meeting.

By Order of the Board

Lahore
April 07, 2021

WAHEED ASHRAF
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from April 22, 2021 to April 28, 2021 (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 April 21, 2021 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 Annual 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. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders.
3. In Compliance with SECP's Circular No. 06 of 2021 dated March 03, 2021, keeping in view of the recent spike in number of Covid-19 cases, its gravity on public health, increased number of casualties and instructions of the Government / institutions to consider the provision of video link facility for conducting meetings, the Annual General Meeting will be held virtually via video-link for the safety and well being of our valued shareholders and general public.



To attend the AGM through video link, members are requested to register their following particulars by sending an e-mail at shareholders@servis.com.

Folio / CDC Account No.	No. of shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on April 26, 2021. The shareholders are also encouraged to send their comments / suggestions, related to the agenda items of the AGM on the above mentioned e-mail address or WhatsApp Number 0309 1560943 by the close of business hours (5:00 p.m.) April 26, 2021. For any query, the members may please contact at aforesaid email or WhatsApp Number.

- 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 and send it duly signed along with a copy of CNIC to the Shares Registrar of the Company M/s. Corplink (Private) 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.
- 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:

For filers of income tax returns	15%
For non-filers of income tax returns	30%

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 30% 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 @30% 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 Account No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal / Joint Shareholder
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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 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.

- 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.

7. The Company has placed the Audited Annual Financial Statements for the year ended 31 December 2020 along with Auditors and Directors Reports thereon and Chairman's Review Report on its website: www.servisgroup.com.
8. 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.
9. For any query / problem / information, the investors may contact the Shares Registrar: Mr. Muhammad Akbar Moghal, Phone No. 042-35839182, 35916714, 35916719, e-mail address: corplink786@gmail.com and / or the Company: Mr. Tahir Maqsood, Phone No. 042-35751990, email address: shareholders@servis.com.

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 28, 2021.

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

The Board of Directors in their meeting held on March 31, 2021 have recommended issue of bonus shares in proportion of 100 Ordinary Shares for every 100 Ordinary Shares held by the Members (i.e. 100%) and decided that a sum of Rs. 234,937,270 be appropriated from the free reserves for issue of 23,493,727 Bonus Shares. After the issue of bonus shares, the paid-up capital of the Company will increase to Rs. 469,874,540. The Directors are of the opinion that the reserves of the Company are adequate for capitalization of Rs. 234,937,270 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. 234,937,270 (Rupees two hundred thirty four million nine hundred thirty seven thousand two hundred seventy) out of the free reserves of the Company be capitalized and applied towards issue of 23,493,727 Ordinary Shares of Rs. 10 each as bonus shares in the proportion of 100 Ordinary Shares for every 100 Ordinary shares (i.e., @100%) held by every Member whose name appears on the Members' Register at the close of business on April 21, 2021.
- (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, 2020.
- (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 or Company Secretary be and is hereby authorized singly 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	Service Long March Tyres (Private) Limited
Total Investment Approved	Long term equity investment up to US\$ 30,600,000 equivalent to Rs. 4,738,410,000 for purchase of 473,841,000 shares.
Amount of Investment made to date	Rs. 2,295,000,000.
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in a specified time	No deviation. The validity of resolution for investment of up to Rs. 4,738,410,000 is three (3) years from February 03, 2020. 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	Investment was approved on 03-02-2020. The sponsors have injected Rs. 4,500,000,000 as equity and the subsidiary company has purchased land for the project. As per latest audited financial statements for the period from January 07, 2020 to June 30, 2020 the balance sheet size is Rs. 1.5 Billion, Profit after tax is Rs. 18,408,573 and Earnings per share is Rs. 0.12. The Company is expected to commence the commercial operations by 3 rd Quarter of 2021.

