



SERVICE FABRICS LIMITED

SERF/Corp-AGM/PSX

October 06, 2021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Notice of Annual General Meeting – Service Fabrics Limited

Dear Sir,

Please find enclosed a copy of the Notice of Annual General Meeting of Service Fabrics Limited to be held on Thursday October 28, 2021 at 11:00 A.M. at registered office of the company at 10-N, Model Town Ext, Lahore, being dispatched to shareholders and publication in newspapers.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

For and on behalf of
Service Fabrics Limited



FARZAND ALI
Company Secretary



Encl: - As Above

CC: - The Director/HOD, Surveillance, Supervision and Enforcement, SMD, SECP-ISD.
- Executive Director, Corporate Supervision Department, SECP-ISD.

SERVICE FABRICS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting (AGM) of **Service Fabrics Limited** (the Company) will be held on Thursday October 28, 2021 at 11:00 a.m. at registered office of the Company at 10-N, Model Town Ext., Lahore to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2021 together with Directors' and Auditors' Reports thereon.
2. To elect seven (07) Directors as fixed by the Board under the Provisions of the Companies Act, 2017 for a period of three years commencing from October 27, 2021. The names of retiring directors are as under:

1.	Masroor Ahmad Khan	2.	Atique Ahmad Khan	3.	Hafiz Farooq Ahmad
4.	Aftab Ahmad	5.	Usman Hassan	6.	Hafiz Imran Latif
7.	Maleeha Humayun Bangash				

3. To appoint Auditors of the Company for the year ending June 30, 2022 and to fix their remuneration
4. Any other business with permission of the Chair.

SPECIAL BUSINESS

5. Supersede/Rescind of Unexecuted Resolutions

To approve the rescind/supersede all previous unexecuted resolutions passed by the shareholders in the previous annual general meetings/ extraordinary general meetings, if any, including but not limited to increase of capital, change of business, alteration in memorandum and Articles of Associations, right issue declaration etc. which were passed by the shareholders before April 30, 2021 but could not be effectuated due to whatsoever reason(s), by passing special resolution as proposed in the Statement under section 134(3) of the Companies Act 2017 annexed to the notice of AGM.

6. Provisioning in the Books of the Company against impairment/doubtful assets

Board of Directors is exercising their power under Section 183 of the Companies Act, 2015 to make provisioning in the Books of the Company against impairment/doubtful Asset along with related liabilities. However, shareholders' approval is also sought to ratify the same, by passing special resolution as proposed in the Statement under section 134(3) of the Companies Act 2017 annexed to the notice of AGM.

Place: Lahore
Dated: October 07, 2021

FARZAND ALI
Company Secretary

Notes:

1. BOOK CLOSURE

Share Transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from Thursday October 21, 2021 to Thursday, October 28, 2021 (both days inclusive). Transfer received in order at the office of the share registrar

F.D. Registrar Services (PVT) Limited, 17th Floor, Saima Trade Tower-A,
I.I. Chundrigar Road, Karachi, Ph # 9221-32271905-6, email. info@fdregistrar.com

at the close of business on Wednesday October 20, 2021 will be treated in time for the purpose of attendance in the AGM.

2. ELECTION OF DIRECTORS

In terms of Section 159(1) of the Companies Act, 2017 ("Act") the Board of Directors has fixed the number of elected Directors at 7 (Seven) to be elected in the Annual General Meeting of the Company for the period of next three years.

Any person who seeks to contest the election to the office of a Director, whether he/she is retiring director or otherwise, shall file the following documents with the Company Secretary, at its Registered Office, 10-N, Model Town, Lahore, not later than fourteen days before the date of the meeting:

- a) Notice of his / her intention to offer him / herself for the election to the Office of Director in terms of section 159(3).
- b) Consent to act as Director of the Company along with consent on Form 28 prescribed under the Act.
- c) A detail profile along with office address as required under SECP' SRO 634(1)2014 dated July 10, 2014.
- d) Declaration under Clause 3 of the Listed Companies (Code of Corporate Governance) Regulations 2019.
- e) Declaration that he/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law, rules and regulations.
- f) Declaration that he/she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange;

A candidate consenting for the election as director must be a member of the Company at the time of filing of his/her consent except a person representing a member, which is not a natural person.

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166(2) of the Act.

Pursuant to Companies (Postal Ballot) Regulation 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017 members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

3. DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY:

As per section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017.

In light of above, shareholders holding physical share certificates are encouraged to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in member's register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale/purchase.

4. ATTENDANCE OF MEETING

A member entitled to attend, speak and vote at the AGM is entitled to appoint a proxy to attend, speak and vote instead of him/her.

Proxies in order to be effective duly signed, filed and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP for attending the meeting. Attendance in the meeting shall be on production of original CNIC or passport.

5. COVID-19 CONTINGENCY PLANNING

Due to current COVID-19 situation, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the

quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

The Company has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. In order to attend the meeting through video link members are requested to share the below information at agmserf@servicefabrics.com for their appointment/registration and proxy verification by or before Thursday October 21, 2021 as per below format.

Full Name	Folio/CDC No.	Company Name	CNIC Number	Registered Email Address	Cell Number

Video link details and login credentials will be shared with those members whose registered emails containing all the particulars are received on or before Thursday October 21, 2021.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address agmserf@servicefabrics.com Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.

6. TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH CD/DVD/USB:

The Company has circulated annual financial statements to its members through CD/USB/DVD at their registered address. Printed copy of above referred statements can be provided to members upon request. Request Form is available on website of the company i.e. www.servicefabrics.com.

7. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2021 have been made available on Company's website www.servicefabrics.com in addition to annual and quarterly financial statements for the prior years.

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

The material facts concerning the special business to be transacted at the Annual General Meeting are given below:

Agenda item No. 05

SERF is listed shell company initially engaged in the business for manufacturing and selling of fabrics but the Company has ceased its operating activities since October 2004.

The Board of Directors of Service Fabrics Limited (SERF) has decided to rescind/supersede all previous unexecuted resolutions who could not be effectuated due to whatsoever reason(s) which were passed by the shareholders before April 30, 2021 in the previous annual general meetings/ extraordinary general meetings, if any, including but not limited to increase of capital, change of business, alteration in memorandum and Articles of Associations, right issue declaration etc.

Draft Proposed Resolutions:

The following resolutions are proposed to be passed as Special Resolution, with or without modifications, additions or deletions to rescind/supersede all previous resolution which were passed before April 30, 2021:

RESOLVED THAT approval be and is hereby accorded to rescind/supersede all previous unexecuted resolutions passed by the shareholders in the previous annual general meetings/ extraordinary general meetings, if any, including but not limited to increase of capital, change of business, alteration in memorandum and Articles of Associations, right issue declaration etc. which were passed by the shareholders before April 30, 2021 but could not be effectuated due to whatsoever reason(s).

FURTHER RESOLVED THAT the Chief Executive Officer and / or the Company Secretary of the Company be and are hereby singly authorized to take all necessary steps and execute documents including legal and corporate formalities and file all requisite documents with Securities & Exchange Commission of Pakistan and/or Registrar of the Companies as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolution."

Agenda item No. 06

During year 2015-16, the Company purchased 95.5% shares of H.K. Securities (Private) Limited against consideration of Rs. 15,628,969 @ 5.456 per share. This transaction was undertaken as on December 04, 2015. Purchase consideration was paid by Noor Capital (Private) Limited on behalf of the Company. Management of the Company decided to sell this Company to Noor Capital (Private) Limited @ Rs. 1/- with the condition that payable amount will be settled by Noor Capital (Private) Limited.

This represents partial payment received on behalf of subsidiary company against sale of 3,034,603 ISE Towers REIT Management shares (ISETRMCL) received to subsidiary in pursuance of corporatization and demutualization of ISETRMC in accordance with the requirement of the Stock Exchanges under Corporatization, Demutualization and Integration Act, 2012. Subsidiary company made an agreement for sale of these shares to M/S General Investment & Securities (Private) Limited on August 09, 2017. On August 15, 2017 Subsidiary company has made an application to Pakistan Stock Exchange Limited for surrender of Trading Right Entitlement Certificate (TREC) and intends to sell blocked 60% equity shares with CDC after

surrendering of TREC. The Securities Exchange Commission of Pakistan vide its Order dated December 17, 2017 has refused HK Securities(Private) Limited (Subsidiary company) to grant / renewal of license as securities broker due to non-compliant with the provisions of the Regulations read with Securities Act. SECP has directed PSX and NCCPL in this regard to suspend the trading terminal of Invest Form (Private) Limited and proceed further under the applicable regulatory Frame work.

Share Purchase Agreement is drafted to dispose of entire holding in H.K. Securities Limited to Noor Capital (Private) Limited at Rs. 1/- whereby Noor Capital (Private) Limited will take the responsibility of this payable amount (i.e. Rs. 10,028,205). With the approval from shareholders and signing of agreement with Noor Capital (Private) Limited, Company will write off both of the amount in the books of accounts in the Financial Year 2021-22.

To consider, and if deemed fit, approve provisioning against impairment/write off in the accounts against Receivables/ Assets to clean the books of accounts (along with related liability) and to approve the share purchase agreement, and, for this purpose, pass the following resolutions, as ordinary resolutions, with or without modification(s), addition(s) or deletion(s), subject to requisite, submission and approvals, if any:

Draft Proposed Resolutions:

The following resolutions are proposed to be passed as Special Resolution, with or without modifications, additions or deletions are as under:

"RESOLVED THAT the approval be and is hereby accorded to dispose of entire investment in subsidiary namely H.K. Securities (Private) Limited along with related liabilities to Noor Capital (Private) Limited at consideration of Rs. 1/- and to make provisioning/ write-off of the amount against this equity investment (as given in the statement material fact) and to clean the books of accounts of the Company."

RESOLVED FURTHER THAT each of the Chief Executive, and the Company Secretary of the Company, acting singly, be and is hereby authorized to take all necessary steps and execute all necessary documents towards fulfillment of all legal and corporate requirements involved, and to file all requisite documents with the Securities and Exchange Commission of Pakistan, as may be necessary or expedient for the purpose of fully giving effect to and implementing the letter, spirit and intent of the foregoing resolutions.

The directors of the Company have no direct or indirect interest in the above-mentioned Special Business except to the extent that they are the members of the Company.