Service Industries Limited

Servis House, 2-Main Gulberg
Lahore - 54662 (Pakistan)
Phone: (42) 35751990-96
Fax: (42) 35711827

SIL/PSX/CS/71
February 03, 2020

BY T.C.S & PUCARS

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

Commissioner (CLD),
Securities & Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue, Blue Area,
63-Jinnah Avenue,
Islamabad.

Director / HOD,
Surveillance, Supervision and Enforcement Department,
Securities & Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue, Blue Area,
63-Jinnah Avenue,
Islamabad.

Subject: **Disclosure of Material Information**

Dear Sirs:

In accordance with applicable provisions of the Securities Act, 2015 and Rule Book of the Pakistan Stock Exchange Limited, Service Industries Limited (the 'Company') is pleased to convey the following information:

> "The Honorable Lahore High Court, Lahore has approved the Scheme of Compromises, Arrangements and Reconstruction between Service Industries Limited and its wholly owned subsidiary Service Global Footwear Limited. A certified copy of the Court Order is attached herewith."

A disclosure form is attached herewith.

You may please inform the members of your Exchange, accordingly.

Yours' sincerely,

Waheed Ashraf
Company Secretary

SERVICE INDUSTRIES LIMITED
LAHORE

Enclosed as above

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Lahore - 54662 (Pakistan)
Phone: (42) 35751990-96
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SERVICE INDUSTRIES LIMITED
DISCLOSURE FORM
(Securities Act, 2015)

February 03, 2020

Name of the Company	Service Industries Limited
Date of Report (Date of earliest event reported if applicable)	November 21, 2019
Exact Name of the Company as specified in its Memorandum	Service Industries Limited
Registered address of the Company	Servis House, 2-Main Gulberg, Lahore.
Contact Information	**Mr. Waheed Ashraf** Company Secretary Tel: +92 42 35751990-96 Fax: +9242 35711827
Disclosure of inside information by the Company in terms of Securities Act, 2015	"The Honorable Lahore High Court, Lahore has approved the Scheme of Compromises, Arrangements and Reconstruction between Service Industries Limited and its wholly owned subsidiary Service Global Footwear Limited. A certified copy of the Court Order is attached herewith."

SERVICE INDUSTRIES LIMITED LAHORE

LAHORE HIGH COURT LAHORE
(COMMERCIAL BRANCH)

CIVIL ORIGINAL NO. 63687-2019

PRESENT:-

MR. JUSTICE. SHAHID KARIM

Parties name & pray attached herewith

1.2.2020
EXAMINAR
COMPANY CASES
COMMERCIAL BRANCH

Malik Khizar

For Private Use
(EXAMINER)
Copy Supply Section (Copy Branch)
Lahore High Court, Lahore.
01-2-2020

Form No:HCJD/C-121

ORDER SHEET

IN THE LAHORE HIGH COURT, LAHORE
JUDICIAL DEPARTMENT

Case No: C.O No.63687 of 2019

In Re:

M/s Service Industries Limited
&
Service Global Footwear Limited

S.No.of order/ Proceeding	Date of order/ Proceeding	Order with signature of judge, and that of parties or counsel, where necessary.
	15.01.2020	Mrs. Saleema J. Khawaja, Advocate for the petitioners. Mr. Muhammad Azeem Malik, Advocate for Meezan Bank. Mr. Muhammad Atif, Advocate for Bank Al-Habib. Mr. S.M Zulqarnain Bukhari, Advocate for Faysal Bank. Mr. Waqar A. Sheikh, Advocate for Customs Department. Hafiz Tallaha, Advocate for SECP. Mr. Wajahat Ali Advocate, Chairperson.

Through this join application/merger petition filed in terms of Sections 279 to 283 and 285(8) of the Companies Act, 2017 (**"Act"**) read with SRO No.840(I)/2017 dated 24.8.2017 (issued by the Finance Division Government of Pakistan), the applicant companies seek the sanction of the Scheme of Compromises, Arrangements and Reconstruction (**"Scheme"**) and transfer of the undertaking, assets and liabilities. The Scheme upon sanction will demerge, transfer and vest a portion of the undertakings of applicant No.1 (SIL) identified as Muridke Footwear Undertaking (MFU) along with its respective assets and liabilities for transfer and merger into applicant No.2 (SGFL).

2. Through order dated 28.10.2019 this Court directed the holding of the Extra-Ordinary General

Meetings of the Applicants to ascertain the wishes of their respective members with reference to the Scheme. These meetings were directed to be held under the Chairmanship of Mr. Wajahat Ali, Advocate. The Chairperson was directed to preside over the meetings and to submit a Report thereof.

3. Pursuant to the order of this Court, public notices were issued in the dailies "Dawn", "Business Recorder" and "Jang" on 23.11.2019 and 27.11.2019 with reference to the hearing of the main petition. This was in compliance of Rule 61 of the Companies (Court) Rules, 1997 for the purpose of informing the public at large, the Securities and Exchange Commission of Pakistan and the creditors of the Applicant companies of the institution of the application for the sanction of the Scheme and objections were invited *inter alia* from the members as well as any other person having interest in the affairs of the Applicants.

4. The Chairperson filed his Report on 14.01.2020, which is accompanied by the relevant record. According to the Report, the Extra-Ordinary General Meetings of the Applicants were scheduled and notified for 14.12.2019. In this regard, notices were issued to the shareholders of the Applicants, which were also published in the dailies "Dawn", "Business Recorder" and "Jang". Copies of the dispatched

notices and names of the shareholders and the notices published in the newspapers are appended with the Report of the Chairperson.

5. As per the Report, the meetings were convened and held as scheduled under the supervision of the Chairperson. The attendance sheet of the shareholders of the Applicants has also been placed on record which reflects the participation of the shareholders in the meetings of the Applicant Companies, personally as well as through proxy. As per the Report, the Scheme was unanimously approved by the shareholders of the Applicant Companies, present at the meetings.

6. The Securities and Exchange Commission of Pakistan has filed its comments and raised certain objections to the scheme which are more formalistic than substantive. They relate to creation of "capital reserve for issuance of bonus shares" instead of "revenue reserves" and mentioning of nature of receivables / payables amongst the petitioners in the split balance sheet of petitioner No.1. These formalities have been duly complied by the applicants and the learned counsel for SECP present in Court today expressed satisfaction on these issues while supporting the sanction of the scheme. As explicated, the No Objection Certificates issued by the creditors have also been placed on the record which reflect

their no objection to the approval of the Scheme. Model Custom Collectorate (Appraisal), Mughalpura Dryport, Lahore also provided its no objection to the approval of the Scheme which has been placed on record.

7. In the joint application it has been submitted that the Scheme will *(a)* result in a better, efficient and economical management, control and running of and further development and growth of the businesses of the Applicant Companies, *(b)* unlock significant value for the shareholders of the Applicant Companies and will also provide a greater business focus for the Applicant Companies, *(c)* provide a viable unit of Applicant No. 1 and furthermore, the administrative/overhead cost will be reduced, *(d)* will result in an increased value for the shareholders inasmuch the merger will provide better opportunities for improving and modernizing the Applicants' business operations and *(e)* the merger will result in the Applicants' businesses being integrated which in turn will help achieve an optimum level of utilization of the Applicants inherent potential and as a result thereof, the surviving entity would be result-oriented and marketable.

8. As none of the creditors, shareholders and other interested parties including SECP have raised

any objection to the Scheme, this petition is accepted and the Scheme is hereby sanctioned. The approved Scheme shall form part of this order as Schedule "A". The Scheme shall take effect in accordance with section 282 of the Act. Furthermore, in terms of section 282 of the Act the Applicant No. 1 shall cause the service of the certified copy of the order to the Registrar of Companies for compliance. As a result:

i. *The whole undertaking of MFU together with all its properties, assets, rights, liabilities and obligations of every description including those described in the scheme as set forth in annexure 'A' to the petition, shall by virtue of this order stand transferred to and become the liabilities of SGFL.*
ii. *The transferee company shall proceed to allot any share or other like interest in the company which under the scheme of arrangement are to be allotted to or for any person.*
iii. *All legal proceedings instituted by or against MFU which may be pending, shall be continued by or against SGFL.*
iv. *The Scheme although operative from Effective Date shall finally take effect upon and from the date in which the last of the orders or approvals or transfers in respect of matters provided for in Article 18.1 of the Scheme are obtained. All formalities relating to matters provided for in Article 18 of the Scheme shall be completed timously and expeditiously.*
v. *The authorized capital of SGFL shall stand enhanced to Rs.2,000,000,000 divided into 200,000,000 ordinary shares of the face value of Rs.10/-.*

ATTESTED
(EXAMINER)
Copy Supply Section (Copy Branch)
Lahore High Court, Lahore.

1/2

9. The petitioner shall supply to the office the requisite stamp papers if any required by law and thereafter the file shall be put up for final signatures on the instrument.

10. The Applicants shall be at liberty to approach this Court for seeking any further directions/ modifications in the Scheme as may be considered

necessary for its proper working, as required under Section 280 of the Companies Act, 2017.

(SHAHID KARIM)
JUDGE

29/01

Rafaqat Ali

TRUE COPY
C.O. No.
Examiner: JIS (Commercial Branch)
Lahore High Court, Lahore

(EXAMINER)
Copy Supply Section (Copy Branch)
Authorized under Article 87 of
The Qanun-e-Shahadat Order, 1984.

Copy Petition No: 78345
Case No.
Submission Date: 15.01.2020
No of Pages: 6
Fee (Rs.2/- per Page):
Urgent Fee (if any):
Total Fee (Rs.): 12
Date of Completion:
Date of Delivery:

01/2/20

01/02/2020