

## NOTICE OF 62<sup>ND</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 62nd Annual General Meeting of Pakistan Services Limited will be held on **Wednesday, October 27, 2021 at 11:00 a.m. at Islamabad Marriott Hotel** to transact the following business:

1. To confirm the minutes of the Annual General Meeting held on October 28, 2020.
2. To receive, consider and adopt the Audited Financial Statements together with the Directors' and the Auditors' Reports thereon for the year ended June 30, 2021.
3. To appoint Auditors for the year 2021-22 and fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and approve an Advance appearing in the Company's Financial Statements already given for purchase of tourist site pieces of land/plot[s] measuring altogether 7.29 Acres in Gwadar to an Associated Company namely M/s. Associated Builders [Pvt] Limited, which in the view of Securities & Exchange Commission of Pakistan [SECP] attracts the provisions of Section-199 of the Companies Act, 2017.
5. To consider any other business with the permission of the Chair.

By Order of the Board



Mansoor Khan  
Company Secretary

Islamabad: September 29, 2021

**Notes:**

- A. Any 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 instead of him/her except in case of a corporate entity which may appoint a proxy who may not be a member. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.
- B. The Share Transfer Books of the Company will remain closed from October 21, 2021 to October 27, 2021 [both days inclusive].
- C. Shareholders are requested to notify the Company's Share Registrar, M/s. THK Associates [Private] Limited, Plot No. 32-C, Jami Commercial Street 2, DHA Phase VII, Karachi of any change in their address.
- D. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 01 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
  - a. **For Attending the Meeting:**
    - i] In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the CDC Regulations, shall authenticate their identity by showing their original Computerized National Identity Card [CNIC] or original passport at the time of attending the meeting.
    - ii] In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature of the nominee shall be produced [unless it has been provided earlier] at the time of the meeting.
  - b. **For Appointing Proxies:**
    - i] In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
    - ii] The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
    - iii] Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
    - iv] The proxy shall produce his original CNIC or original passport at the time of the meeting.
    - v] In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted [unless it has been provided earlier] along with Proxy Form to the Company.
- E. As per the provisions of Section-242 of the Companies Act, 2017 and directives of Securities & Exchange Commission of Pakistan vide Circular no. 18 dated August 01, 2017, after October 31, 2017 the cash dividends will only paid through electronic mode directly in the bank accounts of the shareholders, therefore the Shareholders are requested to provide copies of their

valid CNICs and Dividend Mandate including Name, Bank Account Number, Bank and Respective Branch addresses to the Company in order to enable the Company to pay cash dividend electronically. The Dividend Mandate Form is attached with printed Annual Report and also placed on Company's website [www.psl.com.pk](http://www.psl.com.pk).

- F. In order to transfer the amount of dividend directly into bank account, shareholders are requested to provide detail of bank account [CDC account holders to their respective members and physical shareholders to the Company or our Share Registrar.] For any query / problem / information, the investors may contact the Company and / or the Share Registrar on the following phone numbers and e-mail addresses:

**Pakistan Services Limited**

1st Floor, NESPAK House, G-5/2, Islamabad.

Phone: 051-2272890-98 E-mail: [mansoorkhan@hashoogroup.com](mailto:mansoorkhan@hashoogroup.com)

**Share Registrar**

M/s. THK Associates [Private] Limited,

Plot No. 32-C, Jami Commercial Street 2, DHA Phase VII, Karachi

Phone: 021-111-000-322 E-mail: [sfc@thk.com.pk](mailto:sfc@thk.com.pk)

- G. The Corporate shareholders having CDC accounts are required to have their National Tax Number [NTN] updated with their participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or our Share Registrar i.e. M/s. THK Associates [Private] Limited. The shareholders while sending NTN or NTN certificates, as the case may be must quote company name and their respective folio numbers.
- H. The SECP vide SRO 787 [1]/2014 dated September 08, 2014 has provided an option for shareholders to receive Audited Financial Statements along with notice of Annual General meeting electronically through email. Hence, members who are interested in receiving the Annual Reports and notice of Annual General Meeting electronically, are requested to send their email addresses on the consent form placed on the Company's website [www.psl.com.pk](http://www.psl.com.pk), to the Company's Share Registrar. The Company shall, however, additionally provide hard copies of the Annual Report to such members, on request, free of cost.
- I. Members holding in aggregate 10% or more shareholding residing at a geographical location other than Islamabad, may participate in the meeting through video conference by submitting their application to the Company Secretary at least seven days prior to the date of the meeting. The Company will arrange video conference facility in the requested city subject to availability of such facility in that city. The Company will intimate members regarding venue of the video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access such facility.

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

This Statement sets out the material facts concerning the special business given in Agenda item no. 4 of the Notice of Annual General Meeting.

**ADVANCE FOR PURCHASE OF LAND FROM ASSOCIATED CONCERN**

In 2008, the Company entered into an Agreement with M/s. Associated Builders [Pvt] Limited ["the Seller/ABPL"], an associated concern, for purchase of two developed tourist site pieces of land/plot[s] measuring altogether 7.29 Acres in Golden Palms Project, Gwadar and paid part consideration of Rs. 626.82 million towards acquisition of the said pieces of land/plot[s]. As per terms of the said Agreement, the ABPL/Seller shall deliver to the Company vacant and physical possession of the said land/plot[s] by June 30, 2012 after completion of development work.

Despite best efforts made by ABPL for development of the Project, ABPL faces severe hurdles in the development work by the Govt. authorities and Gwadar Development Authority ["GDA"], as the GDA numerously revised the Master Plan which resulted submission of revised plan to GDA for their approval and the development work was hampered and delay by such frequent changes.

The Company has been allotted provisional allotment letter[s] of the said land/plot[s] and is in continuous correspondence with ABPL for issuance of final allotment and physical possession of the land/plot[s] but due to aforementioned reasons, the possession and final allotment of land/plot[s] is pending, and the part consideration is appearing as advance in the Company's Financial Statements.

It is pertinent to mention that, from the date of this transaction, the Company had been disclosing the same in its Financial Statements and had been reflecting the paid part consideration as advance for purchase of land in its Financial Statements which are being adopted by the Members at AGM every year and believes that this advance for purchase of land / plot[s] does not fall within the ambit of Section-199 of the Companies Act, 2017. However, Securities & Exchange Commission of Pakistan [SECP] is of the other view, hence the Company has challenged the same on legal grounds by filing an appeal which is pending adjudication.

In the best interest of the Company and its shareholders, the Company has decided to expressly place this matter before the Members, seeking approval of this transaction, without admitting to any assertions of SECP on applicability of provisions of Section-199 of the Companies Act, 2017 and the aforesaid approval is on non-prejudiced basis.

| [a] Disclosures for all types of Investment;                |  |   |             |              |                     |           |                 |        |                          |           |                      |        |
|---|--|---|-------------|--------------|---------------------|-----------|-----------------|--------|--------------------------|-----------|----------------------|--------|
| [A] Regarding associated company or associated undertaking: |  |   |             |              |                     |           |                 |        |                          |           |                      |        |
| [i]   | name of associated Company   | M/s. Associated Builders (Private) Limited (ABL)  |             |              |                     |           |                 |        |                          |           |                      |        |
| [ii]  | basis of relationship  | Associated Company due to common director   |             |              |                     |           |                 |        |                          |           |                      |        |
| [iii]   | earnings per share for the last three years  | Loss per share<br>2018: 12.11<br>2019: 11.82<br>2020: 10.54   |             |              |                     |           |                 |        |                          |           |                      |        |
| [iv]  | break-up value per share, based on latest audited financial statements   | [0.23] per share  |             |              |                     |           |                 |        |                          |           |                      |        |
| [i]   | financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements                  | <table border="0"> <thead> <tr> <th>Description</th> <th>Amount (000)</th> </tr> </thead> <tbody> <tr> <td>Non-Current Assets:</td> <td>3,122,515</td> </tr> <tr> <td>Current Assets:</td> <td>16,590</td> </tr> <tr> <td>Non-Current Liabilities:</td> <td>4,219,745</td> </tr> <tr> <td>Current Liabilities:</td> <td>11,888</td> </tr> </tbody> </table> | Description | Amount (000) | Non-Current Assets: | 3,122,515 | Current Assets: | 16,590 | Non-Current Liabilities: | 4,219,745 | Current Liabilities: | 11,888 |
| Description   | Amount (000)   |   |             |              |                     |           |                 |        |                          |           |                      |        |
| Non-Current Assets:   | 3,122,515  |   |             |              |                     |           |                 |        |                          |           |                      |        |
| Current Assets:   | 16,590   |   |             |              |                     |           |                 |        |                          |           |                      |        |
| Non-Current Liabilities:                                    | 4,219,745  |   |             |              |                     |           |                 |        |                          |           |                      |        |
| Current Liabilities:  | 11,888   |   |             |              |                     |           |                 |        |                          |           |                      |        |
|   | in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely; |   |             |              |                     |           |                 |        |                          |           |                      |        |
|   | i. description of the project and its history since conceptualization  | The Seller has established a land development scheme in Gwadar with the name of Golden Palm and the Company booked two tourist site plots facing Arabian Sea with 265 feet wide Marine drive on its back for tourist related projects in Golden Palm.   |             |              |                     |           |                 |        |                          |           |                      |        |
|   | ii. starting date and expected date of completion of work;   | Depending upon finalization of master plan of Gwadar City   |             |              |                     |           |                 |        |                          |           |                      |        |
|   | iii. time by which such project shall become commercially operational  | Depending upon finalization of master plan  |             |              |                     |           |                 |        |                          |           |                      |        |
|   | iv. expected time by which the project shall start paying return on investment; and  | Long term strategic investment  |             |              |                     |           |                 |        |                          |           |                      |        |
|   | v. funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts            | <u>Advance Given</u><br>Advance of Rs. 626.820 million  |             |              |                     |           |                 |        |                          |           |                      |        |
| [B] General disclosures;                                    |  |   |             |              |                     |           |                 |        |                          |           |                      |        |
| [i]   | maximum amount of investment to be made  | Rs. 659.811 million   |             |              |                     |           |                 |        |                          |           |                      |        |
| [ii]  | purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment  | To tap the benefits of future development in Gwadar City  |             |              |                     |           |                 |        |                          |           |                      |        |
| [iii]   | sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:   | Amount already paid through Internal sources of the Company   |             |              |                     |           |                 |        |                          |           |                      |        |
|   | [i] justification for investment through borrowings  | NA  |             |              |                     |           |                 |        |                          |           |                      |        |
|   | [ii] detail of collateral, guarantees provided and assets pledged for obtaining such funds; and  | NA  |             |              |                     |           |                 |        |                          |           |                      |        |
|   | [iii] cost benefit analysis  | NA  |             |              |                     |           |                 |        |                          |           |                      |        |

|   |  |   |
|---|--|---|
| (iv)  | salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment  | NA  |
| (v)   | direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration  | At present, Mr. Shakir Abu Bakar is a common director & shareholder holding 0.002 % shares in ABL and Mr. Murtaza Hashwani is a shareholder holding 0.07 % shares in ABL. |
| (vi)  | in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and   | Nil   |
| (VII)   | any other important details necessary for the members to understand the transaction  | NA  |
| <b>(b) In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made</b>   |  |   |
| (i)   | maximum price at which securities will be acquired   | NA  |
| (ii)  | in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof   | NA  |
| (iii)   | maximum number of securities to be acquired  | NA  |
| (iv)  | number of securities and percentage thereof held before and after the proposed investment  | NA  |
| (v)   | current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and  | NA  |
| (vi)  | fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities  | NA  |
| <b>(c) In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made</b> |  |   |
|   | category-wise amount of investment   | The Company has not made any investment in M/s. Associated Builders (Pvt) Ltd rather an advance for purchase of land has been given                                       |
|   | average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate [KIBOR] for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period                | NA  |
|   | rate of interest, mark up, profit, fees or commission etc. to be charged by investing company  | NA  |
|   | particulars of collateral or security to be obtained in relation to the proposed investment  | NA  |
|   | if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and | NA  |
|   | repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking   | NA  |
| <b>Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated undertakings) Regulations, 2017</b>   |  |   |
| NA  |  |   |