

THE SEARLE COMPANY LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the members of The Searle Company Limited (the “**Company**”) will be held through video link, conducted from the Company’s Registered Office located at 2nd Floor, One IBL Center, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shakra-e-Faisal, Karachi on June 28, 2021, at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To confirm the Minutes of 55th Annual General Meeting held on October 28, 2020.

SPECIAL BUSINESS:

2. To consider and, if deemed fit, pass, with or without modification, the following resolutions, as special resolutions, in accordance with the provisions of Section 199 of the Companies Act, 2017, read with the proviso to clause (f) of S.R.O. 1239(I)/2017 dated December 6, 2017 issued by the Securities and Exchange Commission of Pakistan, along with Section 183(3) of the Companies Act, 2017, for the purposes of authorizing the Company to disinvest / sell all the shares of its associated company and wholly owned subsidiary, i.e. IBL Identity (Private) Limited, by way of sale of 100% (one hundred percent) of the shares of IBL Identity (Private) Limited to Universal Ventures (Private) Limited, which is an associated company / related party of the Company:

*“**RESOLVED THAT** the Company be and is hereby authorized, in accordance with Section 199 of the Companies Act, 2017, read with the proviso to clause (f) of S.R.O. 1239(I)/2017 dated December 6, 2017, along with Section 183(3) of the Companies Act, 2017, to disinvest / sell 100% (one hundred percent) of the issued and paid up share capital of IBL Identity (Private) Limited, being its wholly owned subsidiary, by way of sale of the shares of IBL Identity (Private) Limited to Universal Ventures (Private) Limited (or its nominees), for an aggregate amount of PKR 3,526,875,000/- (Pak Rupees Three Billion Five Hundred Twenty Six Million Eight Hundred Seventy Five Thousand).”*

***FURTHER RESOLVED THAT** Mr. S. Nadeem Ahmed, the Chief Executive Officer, and / or Mr. Zubair Razzak Palwala, the Director and Secretary of the Company, or such other person(s) as may be authorized by any of them (the “**Authorized Persons**”), be and are hereby, jointly or severally, authorized and empowered to take all necessary steps, make the requisite decisions from time to time, do all such acts, deeds and things, obtain necessary approvals, and to execute and deliver all such deeds, agreements, declarations, undertakings and guarantees, including any ancillary document thereto or provide any such documentation for and on behalf and in the name of the Company as may be necessary or required or as they or any of them may think fit for or in connection with or incidental for the purposes of carrying out the proposed resolutions.*

RESOLVED FURTHER THAT all actions heretofore taken by any of the Authorized Persons on behalf of the Company in respect of the above matters are hereby confirmed, ratified and adopted by the Company in full.

3. To transact any other business with the permission of the Chair.

By Order of the Board

Zubair Razzak Palwala
Company Secretary

Karachi: June 7, 2021

Notes:

The Share Transfer Books of the Company will remain closed from June 22, 2021 to June 28, 2021 (both days inclusive). Transfers received in order at the office of our share registrar CDC Share Registrar Services Limited (CDCSRL), located at CDC House, 99 – B, Block ‘B’, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, latest by the close of business on June 21, 2021 will be considered in time for the purpose of above entitlement to the transferees.

Participation at the General Meeting:

All members are entitled to attend, speak and vote at the extraordinary general meeting. A member may appoint a proxy to attend, speak and vote on his/her behalf. The proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company’s Registered Office: 2nd Floor, One IBL Center, Plot # 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi not less than 48 hours before the meeting.

An individual beneficial owner of the shares must bring his/her original CNIC or Passport, Account and Participant’s ID numbers to prove his / her identity. A representative of a corporate member must bring the Board of Directors’ Resolution and/or Power of Attorney and the specimen signature of the nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

CDC account holders are advised to follow the following guidelines:

For attending the meeting:

In case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.

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.

For appointing proxies:

In case of Proxy for an individual beneficial owner of shares from CDC, attested copies of beneficial owner’s CNIC or Passport, Account and Participant’s I.D. numbers must be deposited along with the form of proxy.

In case of proxy for representative of corporate members from CDC, Board of Directors’ Resolution and Power of Attorney and the specimen signature of the nominee must be deposited along with the form of proxy. The

proxy shall produce his/her original CNIC or Passport at the time of meeting.

In order to be effective, the form of proxy duly completed, stamped, signed and witnessed along with a Power of Attorney, or other instruments (if any), must be deposited at the registered office of the Company at least 48 (forty eight) hours before the time of holding the meeting.

If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the Company, all such forms of proxy shall be rendered invalid.

Notification of Change in Address of Shareholder:

The members of the Company are requested to notify changes in their mailing addresses (if any), to our share registrar.

Consent for Video Conference Facility:

Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives consent forms from members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 10 (ten) days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city. To avail this facility, please provide following information and submit to registered office of the Company:

Consent Form for Video Conference Facility

I / We _____ of _____ being a shareholder of The Searle Company Limited, holder of _____ ordinary share(s) as per Register Folio / CDC Account No. _____ hereby opt for video conference facility at _____.

Signature of Member(s)

Coronavirus contingency planning for general meetings of shareholders

In accordance with SECP Circular No. 5 of 2020 dated March 17, 2020, Circular No. 4 of 2021 dated February 15, 2021 and Circular No. 6 of 2021 dated March 03, 2021, the Company will be taking measures for conducting the extraordinary general meeting of the Company in consonance with the Government's restrictions on public gatherings. Accordingly, the following information is set out below for the convenience of the members of the Company and to facilitate members' participation:

- i) Shareholders are urged to send by email, WhatsApp or any other electronic mean or by post or courier their comments/suggestions for the proposed agenda items of the extraordinary general meeting. The details are set out below:

Email address:	Muhammad.suleman@searlecompany.com
WhatsApp No.:	+ 92 300 2700130
Cell phone No.:	+ 92 300 2700130
Registered Office Address:	The Searle Company Limited 2 nd Floor, One IBL Center, Plot No. 1, Block 7 & 8 Tipu Sultan Road, Off Shakra-e-Faisal, Karachi

- ii) Shareholders of the Company can attend the extraordinary general meeting via video link to login and participate in the proceedings of the extraordinary general meeting through their smartphones or computer devices from their homes or any convenient location after completing meeting attendance formalities.

Shareholders interested in attending the extraordinary general meeting via video link are requested to have their particulars registered at least 24 hours before the time of extraordinary general meeting with the Company Secretary at the following address:

Email address: muhammad.suleman@searlecompany.com

The login facility will be opened at 10:00 a.m. on June 28, 2021 enabling the participants to join the proceedings which will start at 11:00 a.m. sharp.

The shareholders are requested to provide the information as per the below format. The video link will be sent to the shareholders on the email address provided in the below table:

S. No.	Name of Shareholder	CNIC No.	Folio No.	Cell No.	Email address

iii) In view of the prevailing situation shareholders are urged to provide proxies.

“Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Resolution, is attached along with the Notice circulated to the members of the Company, and is deemed an integral part thereof.”

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 AND INFORMATION REQUIRED UNDER COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017 ARE PROVIDED BELOW:

This statement sets out below the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of The Searle Company Limited (the “**Company**”) to be held at Karachi on June 28, 2021, at 11 a.m. i.e. pertaining to the sale of the Company’s wholly owned subsidiary IBL Identity (Private) Limited:

SR. NO.	DESCRIPTION	INFORMATION REQUIRED												
(a)	Disclosures for all types of investments													
(A)	Regarding Associated Company or Associated Undertaking:													
(i)	Name of the associated company or associated undertaking	IBL Identity (Private) Limited (“IBL Identity”)												
(ii)	Basis of relationship	Wholly owned subsidiary of the Company												
(iii)	Earnings per share for the last three years	Loss per share: 2020: PKR (0.13) 2019: PKR (1.44) 2018: PKR (36.7)												
(iv)	Break-up value per share, based on latest audited financial statements	PKR (84.86) per share as of June 30, 2020												
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest audited financial statements	<table border="1"> <thead> <tr> <th colspan="2">Financial Position/Performance – June 30, 2020</th> </tr> <tr> <th></th> <th>(PKR)</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>2,415,549,000</td> </tr> <tr> <td>Total Liabilities</td> <td>3,217,914,000</td> </tr> <tr> <td>Shareholders’ Equity</td> <td>(802,365,000)</td> </tr> <tr> <td>Total Sales</td> <td>(10,621,000)</td> </tr> </tbody> </table>	Financial Position/Performance – June 30, 2020			(PKR)	Total Assets	2,415,549,000	Total Liabilities	3,217,914,000	Shareholders’ Equity	(802,365,000)	Total Sales	(10,621,000)
Financial Position/Performance – June 30, 2020														
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Shareholders’ Equity	(802,365,000)													
Total Sales	(10,621,000)													
(vi)	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 (II) Starting date and expected date of completion of work	N/A												

	(III)	Time by which such project shall become commercially operational	
	(IV)	Expected time by which the project shall start paying return on investment	
	(V)	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	
(B)		General disclosures:	
(i)		Maximum amount of investment to be made	<p>The approval of the shareholders is being sought under the proviso to clause (f) of S.R.O. 1239(I)/2017 dated December 6, 2017, issued by the Securities and Exchange Commission of Pakistan, with respect to the disinvestment / sale by the Company of its entire shareholding in its wholly owned subsidiary.</p> <p>Accordingly, while no investment is being made by the Company, the aggregate sale price for the transaction / sale is PKR 3,526,875,000/- (Pak Rupees Three Billion Five Hundred Twenty Six Million Eight Hundred Seventy Five Thousand).</p>
(ii)		Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	Since IBL Identity is a loss making entity, with negative equity, the sale thereof will allow the Company to salvage its investment at cost price, which funds may be used for the benefit of the Company, its operations and other ventures.
(iii)		Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds	N/A
	(I)	Justification for investment through borrowings	
	(II)	Detail of collateral, guarantees provided and assets pledged for obtaining such funds	
	(III)	Cost benefit analysis	
(iv)		Salient features of the agreements(s), if any with	100% shares of IBL Identity are proposed to be sold to Universal Ventures (Private) Limited at an

		associated company or associated undertaking with regards to the proposed investment	aggregate price of PKR 3,526,875,000/- (Pak Rupees Three Billion Five Hundred Twenty Six Million Eight Hundred Seventy Five Thousand), which shall be payable in tranches over a period of 60 (Sixty) days.
(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	Mr. Munis Abdullah, being a director and shareholder of the Company, is also a director and the majority shareholder of Universal Ventures (Private) Limited, being the proposed acquirer.
(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	N/A
(vii)		Any other important details necessary for the members to understand the transaction	N/A
(b)		In case of equity investment, following disclosures in addition to those provided under clause (a) above are being made	
(i)		Maximum price at which securities will be acquired	While no securities are being acquired by the Company, the shares of IBL Identity (Private) Limited shall be sold at a maximum price of PKR 61.875/- (Pak Rupees Sixty One and Eight Hundred Seventy Five Paisas) per share i.e. for an aggregate amount of PKR 3,526,875,000/- (Pak Rupees Three Billion Five Hundred Twenty Six Million Eight Hundred Seventy Five Thousand).
(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	The same is not applicable; however, the sale price is significantly higher than the break-up value per share of IBL Identity, which is a loss making entity, with negative equity.
(iii)		Maximum number of securities to be acquired	No securities are being acquired; 100% of the Company's shareholding in IBL Identity (Private) Limited is being disinvested / sold.

(iv)		Number of securities and percentage thereof held before and after the proposed investment	Number of securities held before the proposed divestment: 57,000,000 (fifty seven million) ordinary shares, constituting 100% (one hundred percent) of the issued and paid up share capital of IBL Identity (Private) Limited; and Number of securities to be held after the proposed divestment: 0 (zero) shares.
(v)		Current and preceding twelve weeks' weighted average market price where investment is proposed to be made listed securities	N/A
(vi)		Fair value determined in terms of sub-regulation (1) of regulation 5 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for investment in unlisted securities	The Company has engaged the services of KPMG Taseer Hadi & Co., Chartered Accountants, for the purposes of determining the fair value per share, and the valuator is in the process of carrying out such valuation. The valuation report shall be placed before the members at the forthcoming extraordinary general meeting for their review. It may be noted, however, that the proposed sale price is significantly higher than the expected fair value and the break-up value per share, as IBL Identity (Private) Limited has significant accumulated losses and does not have any business currently. As such, by selling such shares at cost price, the Company shall be able to salvage and protect its investment.

Except to the extent as mentioned in Section B(v) above, the Board of Directors of the Company have no direct or indirect interest in the Special Business, except and to the extent of their respective shareholding in the Company.

The following additional information is being provided since the proposed sale involves the sale / disposal of the Company's subsidiary:

Name of the Subsidiary	IBL Identity (Private) Limited
Cost and Book Value of the Investment in Subsidiary	Cost: 3,526,875,000/- (Pak Rupees Three Billion Five Hundred Twenty Six Million Eight Hundred Seventy Five Thousand) Book Value: same as above
Total Market Value of Subsidiary based on Value of the Shares of the Subsidiary Company (being the value determined by a Registered Valuer, who is Eligible to Carry Out such Valuation along with Name of the Valuer).	The Company has engaged the services of KPMG Taseer Hadi & Co., Chartered Accountants for the purposes of determining the total market value of IBL Identity based on the fair value per share, and the valuator is in the process of carrying out such valuation. The valuation report

	<p>shall be placed before the members at the forthcoming extraordinary general meeting for their review.</p> <p>It may be noted, however, that the proposed sale price is significantly higher than the expected fair value and the break-up value per share, as IBL Identity (Private) Limited has significant accumulated losses and does not have any business currently.</p>
Net Worth of the Subsidiary, as per Latest Audited Financial Statements and Subsequent Interim Financial Statements, if available	PKR (780,629,481) as at May 31, 2021 (Unaudited) and PKR (802,365,000) as at June 30, 2020 (Audited)
Total Consideration for Disposal of Investment in Subsidiary, Basis of Determination of the Consideration and its Utilization	<p>The total consideration for disposal of the investment in IBL Identity is PKR 3,526,875,000/- (Pak Rupees Three Billion Five Hundred Twenty Six Million Eight Hundred Seventy Five Thousand).</p> <p>Basis for Determination of the Consideration: The Company's cost of investment]</p> <p>Utilization of the Consideration: [The consideration amount is intended to be reinvested in business of the Company].</p>
Quantitative and Qualitative Benefits Expected to Accrue to Members	<p>The board of directors of the Company has decided to exit from the textile business. Accordingly, 100% (one hundred percent) of the issued and paid up share capital of IBL Identity is intended to be sold to an investment company which is willing to purchase the same at an amount equivalent to the Company's cost of investment in the same, despite the fact that IBL Identity has suffered significant losses and currently has no business. By selling such shares at cost price, the Company shall be able to salvage and protect its investment. Additionally, it may be noted that the consideration amount is intended to be reinvested in the business of the Company.</p>

