

Notice of 57th Annual General Meeting

Notice is hereby given that the 57th Annual General Meeting (AGM) of the members of The Searle Company Limited (the “Company”) will be held on Friday, October 28, 2022 at 04:30 p.m. through video link facility to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of annual general meeting held on October 28, 2021.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2022 together with the Directors’ and Independent Auditors’ reports thereon.
3. To appoint external auditors of the Company for the ensuing year, and to fix their remuneration. The present auditors M/s. A. F. Ferguson & Co., Chartered Accountants, have retired and being eligible have offered themselves for re-appointment.

SPECIAL BUSINESS

4. To approve the issue of bonus shares in the ratio of 25 shares for every 100 shares held i.e 25% as recommended by the board of directors and, if thought appropriate, to pass with or without modification(s) the following resolutions as ordinary resolution:

“**RESOLVED** that a sum of PKR 780,131,700/- out of the un-appropriated profits of the Company be capitalized and applied towards the issue of 78,013,170 ordinary shares of PKR 10/- each and allotted as fully paid bonus shares to the members who are registered in the books of the Company as at the close of business on October 21, 2022, in the proportion of 25 shares for every hundred ordinary shares held and that such new shares shall rank pari-passu with the existing ordinary shares.

FURTHER RESOLVED that in the event of any member becoming entitled to a fraction of a share, the Directors be and are hereby authorized to consolidate all such fractions and sell the shares so constituted on the Stock Market and to pay the proceeds of the sale when realized to a recognized charitable institution as may be selected by the Directors of the Company.

FURTHER RESOLVED that the Company Secretary be and is hereby authorized to take all necessary actions on behalf of the Company for allotment and distribution of the said bonus shares as he thinks fit.”

5. To consider the increase of authorized share capital of the Company from PKR 4.0 billion to PKR 6.0 billion divided into 600,000,000 ordinary shares of PKR10/- each and to consider and if thought fit to pass the following resolution as **special resolution**:

“**RESOLVED** that the authorized share capital of the Company be and is hereby increased from PKR 4,000,000,000/- divided into 400,000,000 ordinary shares of PKR10/- each to PKR 6,000,000,000/- divided into 600,000,000 ordinary shares of PKR10/- each, by the creation of 200,000,000 additional ordinary shares at nominal value of PKR10/- each to rank pari passu in every respect with the existing ordinary share of the Company.

FURTHER RESOLVED that the Memorandum and Articles of Association of the Company be and are hereby altered for increase in authorized share capital to read as follows:

Clause V of Memorandum of Association “The authorized capital of the Company is PKR 6,000,000,000/- divided into 600,000,000 ordinary shares of PKR10/- each.”

Article 3 of Articles of Association “The authorized capital of the Company is PKR 6,000,000,000/- divided into 600,000,000 ordinary shares of PKR10/- each.”

Notice of 57th Annual General Meeting

FURTHER RESOLVED that Mr. Zubair Razzak Palwala, Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementation of the aforesaid resolution.”

6. To approve the remuneration of Executive Director(s) including the Chief Executive Officer and, if thought appropriate, to pass with or without modification(s) the following resolutions as ordinary resolution:

“**RESOLVED** that the Chief Executive Officer and one full-time working director will be paid an amount not exceeding PKR 155 million approximately which includes allowances and other benefits as per terms of their employment for the year ending June 30, 2023 be and is hereby approved. Further, the Chief Executive Officer and Executive Director are entitled for free use of Company maintained transport for official and private purposes as approved by the Board.”

7. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2022 by passing the following special resolution with or without modification:

“**RESOLVED** that the transactions carried out with Related Parties as disclosed in the note 42 of the unconsolidated financial statements for the year ended June 30, 2022 and specified in the Statement of Material Information under section 134(3) of the Companies Act, 2017 be and are hereby ratified, approved and confirmed.”

8. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2023 by passing the following special resolution with or without modification:

“**RESOLVED** that the Board of Directors of the Company be and is hereby authorized to approve the transactions to be carried out with Related Parties on case-to-case basis for the period up to the conclusion of next AGM.

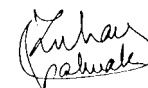
FURTHER RESOLVED that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.”

OTHER BUSINESS

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

“Statement under Section 134(3) of the Companies Act, 2017 in respect of special business contained in Agenda Item Numbers 4, 5, 6, 7 and 8 is annexed to the notice being sent to the members.”

By order of the Board



Zubair Razzak Palwala
Director & Company Secretary

Karachi: October 7, 2022



Notice of 57th Annual General Meeting

NOTES:

A. Participation in the AGM through Video Link Facility

The Company intends to convene the Annual General Meeting (AGM) through video link facility managed from the 3rd Floor, One IBL Center, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi for the safety and well-being of all its stakeholders. Meeting through video link facility is being held in line with Company's austerity cum safety measures in the wake of the current macroeconomic situation and devastating floods in the country and the outbreak of Dengue fever in Karachi. For the foregoing reasons, the Company plans to convene the AGM electronically which, without compromising the safety and well-being of its stakeholders, shall allow accommodation of a large number of members across the country. Needless to mention that Corona SOPs are largely irrelevant in the given circumstances and their observance cannot alleviate the above concerns of the Company.

Shareholders interested in attending the AGM through video link facility are hereby advised to get themselves registered with the Company by providing the following information through email muhammad.suleman@searlecompany.com earliest but not later than 48 hours before the time of the AGM i.e. before 4:30 p.m. on October 26, 2022.

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

Online meeting link and login credentials will be shared with only those members who provide their intent to attend the meeting containing all the required particulars as mentioned above on or before October 26, 2022 by 4:30 p.m.

All members are entitled to attend, speak and vote at the annual 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 No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi-75530 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. In case of corporate entity, the Board of Directors' Resolution and/or Power of Attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

B. Book closure

The share transfer books will remain closed from October 22, 2022 to October 28, 2022 (both days inclusive). Transfers received in order at the office of Company's Share Registrar, M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400 at the close of business on October 21, 2022 shall be considered in time for the purpose of attending the Annual General Meeting and entitlement of bonus shares.

C. Dividend Mandate (Mandatory)

In accordance with the provisions of Section 242 of the Companies Act 2017, and Regulation 4 of the Companies (Distribution of Dividends) Regulations 2017, a listed company is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders instead of issuing physical dividend warrants.

In compliance with the above law, in order to receive dividends directly in your bank account, you are requested to provide the information mentioned in the Form placed at the Company's website www.searlecompany.com otherwise the Company would be constrained to withhold payment dividend (if any)



Notice of 57th Annual General Meeting

in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations 2017. Shareholders shall submit the information directly to their brokers/ Central Depository Company Ltd. If the shares are held in the electronic form or to the Company's Share Registrar if the shares are held in physical form.

D. Deposit of Physical Shares in CDC account

As per section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares are requested to convert the shares into book entry.

E. Withholding tax on Dividend

Currently, the deduction of withholding tax on the amount of dividend paid by the companies under section 150 read with division I of Part III of the First Schedule of the Income Tax Ordinance, 2001, are as under:

- i. for persons appearing in Active Tax Payer List (ATL): 15%
- ii. for persons not appearing in Active Tax Payer List (ATL): 30%

Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to Company's Share Registrar by the first day of book closure.

As per the clarification issued by FBR, withholding tax will be determined separately on "Filer/Non-filer" status of principal shareholder as well as joint-holder(s) based on their shareholding proportions.

If the shares are not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to the Registrar and Share Transfer Agent in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

F. Request for Video conference facility

Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the following form and submit to registered address of the company ten days before holding of the annual general meeting.

If the company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 day prior to day of meeting, the company will arrange a video conference facility in the city subject to availability of such facility in that city.

Notice of 57th Annual General Meeting

I/We, _____ of _____ being a member of the Searle Company Limited, holder of _____ ordinary shares as per registered folio # _____ hereby opt for video conference facility at _____.

Signature of Member

The Company will intimate members regarding venue of video conference facility at least five days before the date of annual general meeting along with the complete information necessary to enable them to access the facility.

G. Electronic transmission of financial statements and notice of annual general meeting

Members who desire to receive financial statements and notice of annual general meeting through email are requested to send their consent on Standard Request Form available on company's website www.searlecompany.com in order to avail the facility. The financial statements and notice of annual general meeting are also available on company's website.

H. Postal Ballot/E-Voting

In accordance with the Companies (Postal Ballot) Regulations 2018, for the purpose of approval of any agenda item, members will be allowed to exercise their vote through postal ballot i-e, by post or e-voting, in the manner and subject to conditions contained in aforementioned regulations.

I. Change of Address

Members are requested to notify changes in their address, if any, immediately to the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahr-e-Faisal, Karachi-74400.

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

- Item 4 of the notice – approval of bonus shares

The Directors of the Company are of the view that the Company's financial position justifies issuance of bonus shares in the ratio of twenty-five shares for every hundred shares held.

The Directors are interested in the business to the extent of the entitlement of bonus shares as shareholders.

- Item 5 of the notice - increase of authorized share capital

The amendment in Memorandum and Articles of Association of the Company is proposed to enhance the authorized capital of the Company by PKR 2.0 billion. The enhancement of authorized capital will enable the Company to issue the bonus shares in future.

The Directors have no interest, directly or indirectly, in alteration of the Memorandum and Articles of Association of the Company, except that they are shareholders/directors in the Company.

- Item 6 of the notice - approval of the remuneration of Chief Executive Officer

The approval is being sought for fixing the remuneration of Executive Director(s) including the Chief Executive Officer of the Company in accordance with their terms and conditions of service.

Notice of 57th Annual General Meeting

None of the Directors of the Company have any, direct or indirect, interest in the above said special business, except that mentioned therein.

- Item 7 of the notice - ratification and approval of the related party transactions

All transactions of the Company with the related parties were approved by the Board. Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested in certain transactions due to their common directorships in the group companies, these transactions are being placed for the approval by shareholders in the Annual General Meeting.

All transactions with related parties to be ratified have been disclosed in the note 42 to the unconsolidated financial statements for the year ended June 30, 2022. Party-wise details of such related party transactions are given below:

Nature of relationship	Nature of transactions	PKR '000
Parent Company		
International Brands (Private) Limited	Corporate service charges	240,000
	Rent income	15,306
	Income from provision of amenities	19,977
	Expenses	18,760
	Dividend Paid	260,077
The Company has issued Bonus shares to the Parent Company and its nominee shareholders in the ratio of 30 shares for every 100 shares held.		
Subsidiary Companies:		
IBL Healthcare Limited	Revenue	327,258
	Dividend income	39,009
	Rent income	3,529
	Income from provision of amenities	2,501
	Others	2,062
	Bank guarantee	350
	Reimbursement of expenses	34,062
IBL Healthcare Limited has issued bonus shares to the Company - note 8.1.1.2		
The Company has created a pledge on ordinary shares of IBL Healthcare Limited in favour of UVPL - note 8.1.2.1		
The Company has obtained a musharaka facility against the properties of IBL Healthcare Limited - note 22.3		



Notice of 57th Annual General Meeting

Searle Biosciences (Private) Limited	Revenue	125,798
	Dividend income	444,000
	Reimbursement of expenses	98,928
	Advances provided	390,819
	Right shares subscribed - note 8.1.3	780,000
Searle Laboratories (Private) Limited	Advances refunded	2,001
Searle Pharmaceuticals (Private) Limited	Advances provided	275
Searle Pakistan Limited	Revenue	209,088
	Rent income	8,645
	Income from provision of amenities	5,167
	Dividend income	1,149,406
	Sales Promotion Expenses	14,177
	Material loan given	4,367
	Material loan obtained	1,235
	Purchases	174,054
	Material Price Differential	21,025
Searle Pakistan Limited has issued bonus shares to the Company - note 8.1.2.4		
The Company has obtained a musharaka facility against the property, plant and equipment of Searle Pakistan Limited - note 22.3		
Nextar Pharma (Private) Limited	Reimbursement of expenses	27,268
	Purchases	7,751

Notice of 57th Annual General Meeting

Associated Companies:		
IBL Operations (Private) Limited	Revenue	14,931,324
	Rent income	6,874
	Income from provision of amenities	8,897
	Carriage and duties	41,402
	Discounts claimed	341,471
	Rent expense	7,647
	Merchandise expense	34,509
	Internet services	621
	Incentive to field force staff	16,457
	Salaries and wages	5,856
	Inventory claims	873,206
	Rent for warehouse	121,668
	Purchases	138
	Others	354
	Dividend Paid	113
Reimbursement of expenses	1,969	
Advance Stock claims Paid	905,855	
Universal Ventures (Private) Limited	Acquisition of subsidiary - note 8.1.2	600,000
	Deferred payment	260,712
United Brands Limited	Purchases	552
	Others	21
IBL Frontier Markets (Private) Limited	Purchase of fixed assets	6,942
	Reimbursement of expenses	788
	Income from provision of amenities	27,018
IBL Unisys (Private) Limited	Rent income	2,038
	Income from provision of amenities	2,245
	IT services	10,189
Prime Health (Private) Limited	Product sample expense	7,018



Notice of 57th Annual General Meeting

IBL Logistics (Private) Limited	Carriage and duties	130,818
	Repair and maintenance	514
	Discounts claimed	12,500
	Purchases	1,920
	Transportation charges	41,946
	Expenses paid by the Company	3,346
United Retail (Private) Limited	Rent income	14,167
	Income from provision of amenities	2,955
Universal Retail (Private) Limited	Rent income	8,316
	Income from provision of amenities	60,699
	Salaries and wages	1,542
	Donations	2,821
	Purchases of Property, Plant and Equipment	2,293
	Purchases	302
	Expenses paid by the Company	1,462
	Others	215
Mycart (Private) Limited	Purchases	129
AKAR Hospital	Donations	9,312
	Medical charges paid	61
Multinet Private Limited	Internet services	5,148
The Hunar Foundation	Donations	20,000
Sabaq Learning Foundation	Donations	15,000
The Indus Hospital	Donations	5,500
Pakistan Stock Exchange	Listing fees	4,611
Searle Pakistan Limited Provident Fund	Interest repayment	13,887
Staff retirement benefits	Contributions to Provident Fund	150,975
	Benefits paid	275,643
Key management employees compensation	benefits	334,448
	Contributions to Provident Fund	23,359

Notice of 57th Annual General Meeting

The Company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Board of Audit Committee of the Company, which is chaired by an independent director of the Company. Upon the recommendation of the Board of Audit Committee, such transactions are placed before the board of directors for approval.

Transactions entered into with the related parties include, but are not limited to, sale of goods, dividends paid, (in accordance with the approval of shareholders and board where applicable) and salaries and other benefits paid to the key management personnel.

The nature of relationship with these related parties has also been indicated in the note 42 to the unconsolidated financial statements for the year ended June 30, 2022. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

- **Item 8 of the notice - authorize the Board of Directors to approve the related party transactions during the year ending June 30, 2023**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the holding / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case-to-case basis for the period up to the conclusion of next AGM which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions are explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

