

## THE SEARLE COMPANY LIMITED

### Notice of 59<sup>th</sup> Annual General Meeting

Notice is hereby given that the 59<sup>th</sup> Annual General Meeting (AGM) of The Searle Company Limited (the “Company”) will be held on Monday, October 28, 2024 at 04:00 p.m. and through video conferencing at Indus Suite, Avari Towers, Fatima Jinnah Road, Karachi-75530 to transact the following business:

Members are encouraged to attend the AGM through a video conference facility managed by the Company (please see the notes section for details).

#### ORDINARY BUSINESS

1. To confirm the minutes of last annual general meeting held on October 27, 2023.
2. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the year ended June 30, 2024, together with the Board of Directors' and Independent Auditor's Reports thereon.

As required under section 223(7) of the Companies Act, 2017 and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023 the financial statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following weblink / QR code.

<https://searlecompany.com/investor-information/>



Annual Report has also been emailed to those shareholders who have provided their email IDs to the Company.

3. To appoint external auditors of the Company and to fix their remuneration for the year ending June 30, 2025. The present auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retiring and being eligible, have offered themselves and consented for re-appointment, and the Board of Directors has recommended their appointment.

#### SPECIAL BUSINESS

4. 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 168 million approximately which includes allowances and other benefits as per terms of their employment for the year ending June 30, 2025 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.”

5. To consider and if deemed fit, ratify and approve (as the case may be), the following resolutions, as special resolutions, with respect to related party transactions/arrangements conducted, in terms of Section 207 and / or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification:

“**RESOLVED** that the transactions carried out by the Company with different Related Parties, during the year ended June 30, 2024, as disclosed in note 45 of the unconsolidated financial statements of the Company for the said period and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified and confirmed.

**FURTHER RESOLVED** that the Company be and is hereby authorized to enter into arrangements or carry out transactions from time to time including, but not limited to, for the purchase and sale of goods and material including chemicals or availing or rendering of services or share subscription, with different related parties to the extent deemed fit and /or approved by the Board of Directors, during the financial year ending June 30, 2025. The members have noted that for the aforesaid arrangements and transactions some or a majority of the Directors may be interested. Notwithstanding the same, the members hereby grant an advance authorization and approval to the Board Audit Committee and the Board of Directors of the Company, including under Section 207 and/ or 208 of the Companies Act, 2017 (to the extent applicable) to review and approve all related party transactions as per the quantum approved by the Board of Directors from time to time.

**FURTHER RESOLVED** that the related party transactions, for the period ending June 30, 2025, shall be deemed to have been approved by the members, and shall subsequently be placed before the members in the next Annual General Meeting for ratification and confirmation.”

#### **OTHER BUSINESS**

6. To transact any other business with the permission of the chair.

**“Statement of Material Facts concerning the special business, as required under section 134(3) of the Companies Act, 2017 is being sent to the members along with the notice of the meeting and also available on our website: [www.searlecompany.com](http://www.searlecompany.com)**

By order of the Board

**Zubair Razzak Palwala**  
Director & Company Secretary

Karachi: October 7, 2024

#### **NOTES:**

##### **A. Participation in the AGM via physical presence including through proxy:**

Members whose names appear in the Register of Members as of October 22, 2024, are entitled to attend and vote at the AGM. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote for him/her. The proxy need not be a member of the Company.

An instrument of proxy applicable for the AGM is being provided with the Notice sent to the members. Proxy form may also be downloaded from the Company’s website: [www.searlecompany.com](http://www.searlecompany.com). An instrument of proxy and the power of attorney or other authority, if any, under which it is signed, or a certified true copy of such power or authority duly notarized must, to be valid, be received by the Company’s Registered Office: 2nd Floor, One IBL Centre, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi-75350 (attention to the Company Secretary) or email at [company.secretary@searlecompany.com](mailto:company.secretary@searlecompany.com) not less than 48 hours before the time of AGM, excluding public holidays.

Members having physical shareholding are requested to submit a copy of their Computerized National Identity Card (CNIC) at the registered address to our Share Registrar: CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99 – B, Block ‘B’, S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400. CDC account holders may submit to their respective CDC Participant/ Stockbroker / Investor Account Services.

If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.

##### **B. Participation in the AGM through Video conferencing:**

i) Members interested in attending / participating in the AGM through video link facility are hereby advised to get themselves registered with the Company by providing the following information through email sent to [cdcsr@cdcsrsl.com](mailto:cdcsr@cdcsrsl.com) or WhatsApp at 0321-8200864 at the earliest, but not later than 48 hours before the time of the AGM i.e. before 4:00 p.m. on October 26, 2024.

- a) Name of Member;
- b) CNIC / NTN No.;
- c) Folio No. / CDC IAS No.;
- d) Cell No.; and

- e) Email address.
- ii) The 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, 2024 by 03:00 p.m.
- iii) The login facility will remain open from 3:30 p.m. till the end of AGM.
- iv) 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 corporate members 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.

**C. Book closure**

The share transfer books will remain closed from October 22, 2024 to October 28, 2024 (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, 2024 shall be considered in time for the purpose of attending the Annual General Meeting.

**D. Change of Address**

Members having physical shareholding 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 Shakra-e-Faisal, Karachi-74400. CDC account holders may submit to their respective CDC Participant/ Stockbroker / Investor Account Services.

**E. Polling on Special Business Resolutions:**

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), as amended through SRO 2192(1)/2022 dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), the SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming AGM to be held on 28<sup>th</sup> day of October 2024 at 4:00 p.m. in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, ballot paper is annexed to this notice and the same is also available on the Company's website at [www.searlecompany.com](http://www.searlecompany.com) for download.

**1. Procedure for E-Voting:**

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 21, 2024.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from October 23, 2024, 09:00 a.m. and shall close on October 27, 2024 at 5:00 P.M. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

**2. Procedure for Voting Through Postal Ballot:**

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address at 2<sup>nd</sup> Floor, One IBL Centre, Plot No. 1, Block 7 & 8, D.M.C.H.S., Tipu

Sultan Road, Karachi (attention to the Company Secretary) or email at [company.secretary@searlecompany.com](mailto:company.secretary@searlecompany.com) no later than one day before the AGM on October 27, 2024, during working hours. The signature on the ballot paper shall match the signature on CNIC.

Postal Ballot /e-voting procedure will be kept on at least seven (7) days before the meeting on company's website i.e. HYPERLINK "<http://www.searlecompany.com>" [www.searlecompany.com](http://www.searlecompany.com)

**F. Unclaimed Dividend and Bonus Shares:**

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited Ltd. to collect/enquire about their unclaimed dividend or pending shares, if any.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividend unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

**G. Conversion of physical shares in to Book-entry Form**

In compliance with section 72 of the Companies Act, 2017 and SECP's letter No. CSD/ED/Misc./2016-639-640 dated 26 March 2021, listed companies are required to replace existing physical shares issued by them into Book-Entry Form. In view of the above requirement, shareholders of the Company having physical folios/ share certificates are requested to convert their shares from physical form into Book-Entry Form as soon as possible.

Conversion of physical shares into Book-Entry Form would facilitate the shareholders in many ways i.e. safe custody of shares, readily available market for instant sale and purchase of shares, eliminate risk of loss & damage, easy & safe transfer with lesser formalities as compared to physical shares. The shareholders of the Company may contact Share Registrar of the Company i.e. M/s. CDC Share Registrar Services Limited for assistance in conversion of physical shares into Book-Entry Form.

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

This statement sets out the material facts concerning the Special Business listed at agenda item 6 to be transacted at the Annual General Meeting of The Searle Company Limited (the "**Company**") to be held on October 28, 2024.

- **Item 4 of the notice – approval of the remuneration of Executive Director(s) including 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.

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

- **Item 5 of the notice – ratification and approval (to the extent applicable) of the related party transactions/arrangements conducted / to be conducted by the Company.**

The Company routinely enters into arrangements and carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions, in which a majority of the Directors are interested, would require members' approval under Sections 207 and / or 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

As some/majority of the Directors of the Company may be deemed to be interested in certain arrangements/ transactions with related parties, including due to their shareholding or common directorships in related entities/parties, and to promote transparency, an approval from the members was sought during the 59<sup>th</sup> AGM of the Company, where the members authorized the Board of Directors to approve such related party transactions conducted by the Company from time to time (and on a case to case basis) during the financial year ended June 30, 2024, and such transactions were deemed to be approved by the members. All the related party transactions have been disclosed in Note 45 to the unconsolidated financial statements for the year ended June 30, 2024. Such transactions were to be

placed before the members in next AGM for their ratification / confirmation. Accordingly, these transactions are being placed before the AGM for ratification / confirmation by the members.

Party-wise details of such related party transactions are given below:

Name of related parties	Nature of transactions	2024 Rupees '000
<b>International Brands (Private) Limited</b>	Corporate service charges	128,831
	Rent income	18,495
	Income from provision of amenities	14,110
	Expenses	4,145
<b>IBL Healthcare Limited</b>	Revenue	282,475
	Rent income	4,407
	Purchases	230,938
	Income from provision of amenities	4,862
	Reimbursement of expenses	209,137
	Royalty	35,156
<b>Searle Biosciences (Private) Limited</b>	Revenue	116,638
	Facility management fee	50,000
	Reimbursement of expenses	102,391
	Advances provided	456,282
<b>Searle Pakistan Limited</b>	Revenue	7,988
	Rent income	9,583
	Income from provision of amenities	2,209
	Sales promotion expenses	7,387
	Material loan given	25,303
	Material loan obtained	47,564
	Purchases	305,955
<b>Nextar Pharma (Private) Limited</b>	Reimbursement of expenses	24,800
	Purchases	19,210
	Material loan obtained	704
<b>Stellar Ventures (Private) Limited</b>	Advance against financial assistance	87,145
<b>IBL Frontier Markets (Private) Limited</b>	Reimbursement of expenses	1,076
	Donations	6,361
	Income from provision of amenities	15,537
<b>Prime Health (Private) Limited</b>	Advance against financial assistance	8,900
	Service charges	1,215
<b>Searle I.V Solutions (Private) Limited</b>	Purchases	332,918
	Advance against financial assistance	298,303
<b>IBL Operations (Private) Limited</b>	Revenue	21,960,417
	Rent income	8,317
	Income from provision of amenities	4,776
	Carriage and duties	82,739
	Discounts claimed	530,097
	Rent expense	60,548
	Merchandise expense	43,887
	Internet services	621
	Incentive to field force staff	9,224
	Salaries and wages	4,694
	Inventory claims	751,393
	Purchases	1,672
	Printing and stationery	23,551
	Donations	1,911
	Acquisition of a subsidiary	3,500,000
<b>Universal Ventures (Private) Limited</b>	Acquisition of subsidiary	3,750,407

	Advance against financial assistance	4,468
<b>United Brands Limited</b>	Revenue	1,797
	Purchases	460
	Salaries and wages	796
<b>IBL Unisys (Private) Limited</b>	Rent income	2,367
	Income from provision of amenities	1,495
	IT services	4,244
	Reimbursement of expenses	87,138
	Purchases	53,163
<b>IBL Logistics (Private) Limited</b>	Carriage and duties	225,479
	Repair and maintenance	453
<b>United Retails (Private) Limited</b>	Income from provision of amenities	9,696
	Donation	5,652
	Printing & Stationary	408
	Salaries and wages	13,829
	Purchases	1,884
	Others	8,176
<b>Universal Retails (Private) Limited</b>	Rent income	36,605
	Income from provision of amenities	134,623
<b>AKAR Hospital</b>	Donations	42,682
<b>Multinet Private Limited</b>	Internet services	10,351
<b>The Hunar Foundation</b>	Donations	4,000
<b>Karachi Relief trust</b>	Donations	2,500
<b>Rashid Abdullah Foundation</b>	Donations	1,500
<b>The Citizen Foundation</b>	Donations	10,000
<b>Searle Pakistan Limited Provident Fund</b>	Interest repayments	40,903
<b>Staff retirement benefits:</b>	Contributions to Provident Fund	212,306
	Benefits paid	174,556
<b>Key management employees compensation:</b>	Salaries and other employee benefits	298,138
	Contributions to Provident Fund	28,277

The Company carries out transactions and enters into arrangements with its related parties primarily 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 / arrangements entered into with related parties require the approval of the Board Audit Committee, which is chaired by an independent director of the Company. Upon the recommendation of the Board Audit Committee, such arrangements / transactions are placed before the Board of Directors for approval.

The nature of relationship with these related parties has also been indicated in the Note 45 to the unconsolidated financial statements of the Company for the year ended June 30, 2024. The Directors are interested in the resolution only to the extent of their common directorships and shareholdings (to the extent applicable) in such related parties.

Accordingly, the members are requested to ratify and confirm the transactions with related parties as disclosed in the unconsolidated financial statements of the Company for the year ended June 30, 2024.

Furthermore, the Company will be entering into arrangements and conducting transactions with its related parties including, but not limited to, those stipulated in the resolution, during the year ending June 30, 2025. As some or a majority of the Directors of the Company may be deemed to be interested in certain arrangements or transactions, inter alia, due to their shareholding or common directorships in related entities, and in order to promote transparent business practices, an approval from the members is being sought to authorize the Company to conduct such related party transactions and enter into arrangements with related parties, and further to authorize and grant power to the Board of Directors to approve related party transactions to be conducted by the Company during the financial year ending June 30, 2025 (irrespective of composition of the Board and interest of the Directors). The related party transactions as aforesaid for the year ending June 30, 2025 shall be deemed to have been approved by the members.