

ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISKS. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (HEREIN REFERRED TO AS 'OFFER DOCUMENT') AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE SOLE LIABILITY OF THE INVESTORS.

THIS DOCUMENT IS ISSUED FOR THE PURPOSE OF PROVIDING INFORMATION TO SHAREHOLDERS OF THE COMPANY AND TO THE PUBLIC IN GENERAL IN RELATION TO THE RIGHTS ISSUE OF PKR 4,249,999,985/-, CONSISTING OF 121,428,571 NEW ORDINARY SHARES BY THE SEARLE COMPANY LIMITED. A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE SECURITIES EXCHANGE.

THIS OFFER DOCUMENT IS VALID TILL NOVEMBER 28, 2023.



The Searle Company Limited Right Share - Offer Document

Date and place of incorporation: October, 1965, Pakistan, **Incorporation number:** 0002161, **Registered/Corporate Office:** One IBL Centre, 2nd Floor, Plot # 1, Block 7 & 8, D.M.C.H.S, Tipu Sultan Road, Off Shahra-e-Faisal, Karachi, **Contact No:** : +92 21 37170200-201, **Website:** www.searlecompany.com | **Contact Person:** Mr. Zubair Razzak Palwala, Phone: +92 21 37170200, **Email:** zubair.palwala@searlecompany.com

Issue Size: The Issue consists of 121,428,571 Right Shares (i.e. 31.13% of the existing paid-up capital of The Searle Company Limited) of face value of PKR 10/- each, at an offer price of PKR 35/- each (i.e. including a premium of PKR 25/- per share). The total amount to be raised through the right issue is PKR 4,249,999,985/-

Date of Placing Offer Document on PSX for Public Comments: N/A (Public comments were not sought)

Date of Final Offer Letter: August 09, 2023

Date of Book Closure: From August 21, 2023 to August 25, 2023

Subscription Amount Payment Dates: From August 31, 2023 to September 29, 2023

Trading Dates for Letter of Rights: From August 31, 2023 to September 21, 2023

Details of the relevant contact persons:

	Name of the Person	Designation	Contact Number	Office Address	Email ID
Authorized Officer of the Issuer	Mr. Zubair Razzak Palwala	Group Director Banking Relations & Corporate Affairs	+92 21 37170200	One IBL Centre, 2nd Floor, Plot # 1, Block 7 & 8, D.M.C.H.S, Tipu Sultan Road, Off Shahra-e-Faisal, Karachi	zubair.palwala@searlecompany.com
Underwriters					
Arif Habib Limited	Mr. Taha Siddiqui	Chief Financial Officer	+92 21 111245111	Arif Habib Limited 2/F, Arif Habib Centre 23, M.T. Khan Road, Karachi	taha.siddiqui@arifhabiblimited.com
Pak China Investment Company Limited	Mr. Shahroz Raza	Officer – Investment Banking Group	+92 51 2099643	13 th Floor, Saudi Pak Tower, 61-A, Jinnah Avenue, Blue Area, Islamabad	shahroz.raza@pakchinainvest.com

	Name of the Person	Designation	Contact Number	Office Address	Email ID
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Mohammad Munir Mohammad Ahmed Khanani Securities Limited	Mr. Abdul Razzak	Chief Financial Officer	+92 21 36490034	Room No 601-603, 6th floor, Stock Exchange Building, Karachi	abdulrazzak@munirkhanani.com
Dawood Equities	Mr. Salman Yaqoob	Chief Financial Officer	+92 21 32418873	Saima Trade Tower, 17th floor A, I.I Chundrigar Road, Karachi,	Salman@dawoodequities.com
Growth Securities	Mr. Kamran	Compliance Officer	+92 21 32463001	Room # 82 83, Second Floor, Pakistan Stock Exchange Building, Karachi	growthsecurities102@gmail.com
Adam Securities Limited	Mr. Noman Abdul Majeed	Director	+92 21 3246248	Room 806-813, 8th Floor Main Stock Exchange Building, Karachi	noman@adamssecurities.com.pk
Banker to the Issue					
Al Baraka Bank (Pakistan) Limited	Mr. Aamir Zaidi	Head of Investment Banking	+92 334 3309862	162, Bangalore Town, Main Shahrah-e-Faisal, Karachi	Aamir.zaidi@albaraka.com.pk

Website: The offer letter can be downloaded from <https://www.searlecompany.com/> and <https://www.psx.com.pk/>

AB276010

100 Rupees

23 JUN 2023

(RUPEES ONE HUNDRED ONLY)

ANIL RAJPUT STAMP VENDOR
 Lia # 05, Shop # 113, New Ruby Centre,
 Talpur Road, Boulton
 Market, Karachi

DATE: 207155

ISSUED TO WITH ADDRESS MR. SYED NADEEM AHMED
 THROUGH WITH ADDRESS MR. ADVOCATE HCH/146

PURPOSE: ATTACHED

VALUE RS: STAMP VENDOR SIGNATURE
 (NOT USE FOR FREE WILL & DIVORCE PURP)
 Vendor Not Responsible For Fake Decree

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

Date: 10.08.2023

WE, SYED NADEEM AHMED, THE CHIEF EXECUTIVE OFFICER AND MOBEEN ALAM, THE CHIEF FINANCIAL OFFICER OF THE SEARLE COMPANY LIMITED CERTIFY THAT:

1. THIS OFFER DOCUMENT CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THIS OFFER DOCUMENT IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS OFFER DOCUMENT AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE COMPANIES ACT, 2017, THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE CENTRAL DEPOSITORY COMPANY AND THAT OF PSX PERTAINING TO THE RIGHT ISSUE HAVE BEEN FULFILLED.

FOR AND BEHALF OF THE SEARLE COMPANY LIMITED

SYED NADEEM AHMED
 CHIEF EXECUTIVE OFFICER

MOBEEN ALAM
 CHIEF FINANCIAL OFFICER

AB276011

23 JUN 2023

(RUPEES ONE HUNDRED ONLY)

ANIL RAJPUT STAMP VENDOR
 C/o # 05, Shop # 113, New Ruby Centre,
 Teipur Road, Boulton
 Market, Karachi

ISSUED TO WITH ADDRESS MR. SYED NAHOOD ALI RIZVI
 THROUGH WITH ADDRESS MR. ADVOCATE HR/1840

PURPOSE: _____
 VALUE RS: _____
 STAMP VENDOR SIGNATURE: _____
 (NOT USE FOR FREE WILL & DIVORCE PURPOSE)
 Vendor Not Responsible For Fake Document

207150

UNDERTAKING BY THE BOARD OF DIRECTORS

Date: 10.08.2023

WE, THE BOARD OF DIRECTORS OF THE SEARLE COMPANY LIMITED HEREBY CONFIRM THAT:

- ALL MATERIAL INFORMATION AS REQUIRED UNDER THE COMPANIES ACT, 2017, THE SECURITIES ACT, 2015, COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE LISTING OF COMPANIES AND SECURITIES REGULATIONS OF THE PAKISTAN STOCK EXCHANGE LIMITED HAS BEEN DISCLOSED IN THIS OFFER DOCUMENT AND THAT WHATEVER IS STATED IN THIS OFFER DOCUMENT AND IN THE SUPPORTING DOCUMENTS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF AND THAT NOTHING HAS BEEN CONCEALED.
- WE UNDERTAKE THAT ALL MATERIAL INFORMATION, INCLUDING RISKS THAT WOULD ENABLE THE INVESTOR TO MAKE AN INFORMED DECISION, HAS BEEN DISCLOSED IN THE OFFER DOCUMENT.
- RIGHT ISSUE IS THE DISCRETION OF BOARD OF THE ISSUER AND IT NEITHER REQUIRE APPROVAL OF THE COMMISSION NOR THE SECURITIES EXCHANGE.
- THE DRAFT OFFER DOCUMENT WAS PLACED ON THE WEBSITE OF THE SECURITIES EXCHANGE AND THE ISSUER ON 06.07.2023 (I.E. WITHIN 45 DAYS OF THE DATE OF ANNOUNCEMENT BY THE BOARD.
- COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON 31.07.2023
- THE BOARD HAS ENSURED THAT DRAFT OFFER DOCUMENT IS UPDATED IN LIGHT OF THE SECURITIES EXCHANGE AND SECP COMMENTS.
- THE FINAL OFFER DOCUMENT WAS PLACED ON SECURITIES EXCHANGE WEBSITE ON 10.08.2023 ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 20 WORKING DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX & SECP).
- THE STATUTORY AUDITOR A.F. FERGUSON & CO. WILL MONITOR THE PROCEED UTILIZATION IF THE ISSUANCE PROCEEDS EXCEED RS.750 MILLION OR 50% OF THE PAID-UP CAPITAL OF THE LISTED COMPANY ISSUING RIGHT SHARES, WHICHEVER IS HIGHER.

ADNAN ASGAR ALI

SYED NADEEM AHMED

ZUBAIR RAZZAK PALWALA

MUNIS ABDULLAH

DR. ATTA-UR-REHMAN

SHAISTA KHALIQ REHMAN

MUFTI ZIA UL ISLAM

DISCLAIMER:

- i. In line with Companies Act, 2017 and Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities Exchange Commission of Pakistan (SECP).
- ii. The Securities Exchange and the SECP disclaims:
 - a. Any liability whatsoever for any loss however arising from or in reliance upon this document to anyone, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.
 - b. Any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.
 - c. Any responsibility w.r.t quality of the issue.
- iii. It is clarified that information in this Offer document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.

GLOSSARY OF TECHNICAL TERMS

APIs	Active Pharmaceutical Ingredients
CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CPI	Consumer Price Index
Companies Act	Companies Act, 2017
Commission / SECP	Securities and Exchange Commission of Pakistan
DRAP	Drug Regulatory Authority of Pakistan
IBL	International Brands Limited
IBL Ops	IBL Operations (Private) Limited
IMS	Intercontinental Marketing Services Health
IV	Intravenous
Mn	Million
NGO	Non-Governmental Organization
NICOP	National Identity Card for Overseas Pakistani
OSD	Oral Solid Dosage
PPMA	Pakistan Pharmaceutical Manufacturers Association
PKR or Rs.	Pakistan Rupee(s)
PSX / Exchange	Pakistan Stock Exchange Limited
Searle IV	Searle IV Solutions (Private) Limited
TCF	The Citizens Foundation
TSCL / the Company / the Issuer	The Searle Company Limited
USD	United States Dollar

DEFINITIONS

Banker to the Issue	Any bank with whom an account is opened and maintained by the Issuer for keeping the issue amount. Al Baraka Bank Pakistan has been appointed, in this Right Issue, as the Banker to the Issue.
Book Closure Dates	The Book Closure shall commence from August 21, 2023 to August 25, 2023 (both days inclusive).
Company	The Searle Company Limited (the “Company” or “TSCL” or the “Issuer”).
Commission	Securities & Exchange Commission of Pakistan (“SECP”).
Issue	Issue of 121,428,571 Right Shares representing 31.1302746% of total paid-up capital of the Company.
Issue Price	The price at which Right Shares of the Company are offered to the existing shareholders.
Market Price	The latest available closing price of the share.
Net Worth	Total assets minus total liabilities.
Ordinary Shares	Ordinary Shares of The Searle Company Limited having face value of PKR 10/- each.
Parenteral	Administering liquids, such as nutrition or medications, by bypassing the gastrointestinal system.
Regulations	The Companies (Further Issue of Capital) Regulations, 2020 https://www.secp.gov.pk/document/the-companies-further-issue-of-capital-regulations-2020-amended-till-september-16-2022/?wpdmdl=45863&refresh=646da0f53433c1684906229
Right Issue	Shares offered by a company to its members strictly in proportion to the shares already held in respective kinds and classes;

Sponsor

A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;

A person who replaces the person referred to above; and

A person or group of persons who has control of the issuing company whether directly or indirectly.

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1 SALIENT FEATURES OF THE RIGHT ISSUE

1.1. BRIEF TERMS OF THE RIGHT ISSUE

a)	Description of Issue:	Issuance of Right Shares to existing shareholders
b)	Size of the proposed Issue:	The Company shall issue 121,428,571 (One Hundred Twenty One Million Four Hundred Twenty Eight Thousand Five Hundred Seventy One) ordinary shares, at a price of PKR 35/- (Pak Rupees Thirty Five) per share, aggregating to PKR 4,249,999,985/- (Pak Rupees Four Billion Two Hundred Forty Nine Million Nine Hundred Ninety Nine Thousand Nine Hundred Eighty Five).
c)	Face Value of the Share:	PKR 10/-
d)	Basis of determination of price of the right issue:	The Right Issue is being carried out at a premium. Considering the current market price of the Company, the premium charged over the par value is justified and is in line with market practice, in fact the same constitutes a 34.14% discount on the last 3 months (from the date of the decision of the Board to carry out the Issue) average trading share price ¹ .
e)	Proportion of new issue to existing shares with any condition applicable thereto:	31.1302746 right shares for every 100 ordinary shares held i.e. 31.1302746% of the existing paid-up capital of the Company
f)	Date of meeting of Board of Directors (BoD) wherein the right issue was approved:	May 25, 2023
g)	Name of directors attending the Board Meeting:	<ol style="list-style-type: none"> 1. Mr. Adnan Asdar Ali, Chairman 2. Mr. Syed Nadeem Ahmed, Chief Executive Officer 3. Mr. Munis Abdullah, Non-Executive Director 4. Mr. Zubair Razzak Palwala, Executive Director 5. Mr. Mufti Zia ul Islam, Non-Executive Director 6. Mrs. Shaista Khaliq Rehman, Independent Director

¹ Last three months' average share price is PKR 53.14 per share (From February 27, 2023 to May 24, 2023)

h)	Brief purpose of utilization of right issue proceeds	<p>The funds raised through the Right Issue will be used to finance the acquisition of a complete (100%) ownership stake in an associated company i.e. Searle IV (subject to obtaining necessary approvals), including repaying any financing availed for such acquisition. This acquisition will be carried out by purchasing the shares from IBL Ops, another associated company. Additionally proceeds from the Right Issue will be utilized to reduce / repay a certain portion of the Company's existing debt</p>
i)	<p>Purpose of the Right Issue</p> <p>Details of the main objects for raising funds through present right issue:</p> <ul style="list-style-type: none"> a) Total funds required for the project b) Percentage of funds financed through the right issue c) Percentage of funds financed from other sources d) Time of completion of project e) Impact on production capacity 	<p>The Company intends to acquire Searle IV, as a going concern, and repay certain portion of its existing borrowings. Given below is the break-up of utilization of right share proceeds:</p> <p>Acquisition of Searle IV: PKR 3,500,000,000</p> <p>Repayment of Existing Debt of the Company: PKR 749,999,985</p> <ul style="list-style-type: none"> a) Total Funds required: 4,249,999,985 b) Percentage of Funds financed through right issue: 100% c) Percentage of funds required financed from other sources: N/A d) Time of completion: With respect to the acquisition of Searle IV, the acquisition shall be carried out once the conditions precedents (mentioned in section 1.2(a) below) have been fulfilled – accordingly, at the time of closing (for which a long stop date of August 31, 2023 has been stipulated (or such other date agreed between the parties) i.e. transfer of shares, the purchase price shall be paid by the Company to IBL Ops. <p>Approvals <u>TSCL Shareholders:</u> Approval will be required from TSCL shareholders under Section 199 of the Companies Act, 2017. Status: The shareholders of the Company have accorded their approval for acquisition of Searle IV in extraordinary general meeting of the Company held on Wednesday July 26, 2023. Furthermore, the repayment of existing debts is expected to be carried out within a period of 30 days within the receipt of right share proceeds.</p> <ul style="list-style-type: none"> e) Impact on production capacity: Searle IV has a production capacity of 8 million packs of Vial,

	<p>General & Psychotropic OSD, Sachet & Powder and Ampoule products. Given below is the breakdown of production capacity:</p> <table border="1" data-bbox="869 376 1434 672"> <thead> <tr> <th>Category</th><th>Capacity (Mn Packs)</th></tr> </thead> <tbody> <tr> <td>Vial Section</td><td>6.00</td></tr> <tr> <td>General OSD</td><td>1.00</td></tr> <tr> <td>Ampoule Section</td><td>0.50</td></tr> <tr> <td>Psychotropic OSD</td><td>0.25</td></tr> <tr> <td>Sachet & Powder</td><td>0.25</td></tr> <tr> <td>Total</td><td>8.00</td></tr> </tbody> </table> <p>Apart from the production capacity, Searle IV also has a warehouse with a storage capacity of 35,000 pallets.</p> <p>Searle IV's line of business is different from TSCL. Accordingly, the production capacity as a whole will increase through this acquisition.</p>	Category	Capacity (Mn Packs)	Vial Section	6.00	General OSD	1.00	Ampoule Section	0.50	Psychotropic OSD	0.25	Sachet & Powder	0.25	Total	8.00
Category	Capacity (Mn Packs)														
Vial Section	6.00														
General OSD	1.00														
Ampoule Section	0.50														
Psychotropic OSD	0.25														
Sachet & Powder	0.25														
Total	8.00														
j)	Minimum level of subscription' (MLS) None														

1.2. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS:

The Company intends to expand its product portfolio by addition of Intravenous products through acquisition of 100% shareholding of an associated company Searle IV, as a running company, at a cost / price of PKR 3,500 million. Furthermore, the Company also wants to reduce current debt levels and favourably improve its capital structure by reducing leverage in an increasing interest rate environment, and, consequentially, improve the Company's profitability and financial ratios which is expected to increase shareholder return. Given below is the break-up of utilization of right issue proceeds:

Purpose of the Issue	Proceeds Utilization (PKR)	% of Right Issue Proceeds
Acquisition of Searle IV*	3,500,000,000	82.35%
Repayment of Debt of the Company	749,999,985	17.65%

*Entire acquisition cost of Searle IV will be paid through Right Issue proceeds

a) Acquisition of Searle IV Solutions (Pvt.) Limited

The Board of Directors of the Company in their meeting held on May 25, 2023 have provided their approval for the acquisition of 100% shareholding of Searle IV from IBL Ops for an aggregate price of PKR 3,500 million (at a purchase price of PKR 648.12/- per share). The shareholders of the Company have accorded their approval under section 199 of the Companies Act, 2017 for acquisition of Searle IV in extraordinary general meeting of the Company held on Wednesday July 26, 2023. Besides the

synergies, this acquisition will facilitate the Company in diversifying its existing product portfolio. Further, it is also- expected to result in increased dividends to the shareholders of the Company.

Searle IV Solutions (Private) Limited

Searle IV is a private limited company incorporated on July 17, 2002. The principal activities of the company are the manufacturing and sale of intravenous solutions and other pharmaceutical products. Searle IV's plant is situated at 3.5 KM, Manga Raiwand Road, Lahore on a plot size of 2.5 acres of freehold land. It is 100% owned by IBL Operations (Private) Limited and IBL Operations is 100% owned by International Brands (Private) Limited.

During FY22, Searle IV locally purchased new plant & machinery to increase the production of Vial Section. This addition is expected to result in increased revenue and profit for Searle IV. Further, this will eventually benefit TSCL after the acquisition.

The installed manufacturing capacity of the plant is as follows:

Category	Capacity (Mn Packs)
Vial Section	6.00
General OSD	1.00
Ampoule Section	0.50
Psychotropic OSD	0.25
Sachet & Powder	0.25
Total	8.00

Products

S. No.	Name of Product
Large Volume Parenteral	
1	Macsol IV Infusion
2	Macsolate –D IV Infusion
3	Macsolyte-M IV Infusion
4	Macrin Ringer's IV Infusion
5	Macsolate IV Infusion (RL)
6	Macsol Paeds IV Infusion
7	Mactol 20% IV Infusion
8	Macsol Laevulose 5%
9	Macsol Sodium Bicarbonate
10	Macsol Potassium Chloride
11	Macsol N/3 Intravenous
Liquid Injectable Vial Section (General)	
1	Cinoxin 50ml Injection
2	Modimac IV Injection
3	Nezolid 2mg Injection
4	Drozic IV Injection
5	Cinoxin I.V Infusion
6	Levoxin I.V Infusion

S. No.	Name of Product
7	Maxlox I.V Infusion
8	Nuberol P IV Infusion
9	Quinorains-P I.V Infusion
10	Florains IV Infusion
11	Macmol IV Infusion
12	Nezolid 600mg/300ml Infusion
13	Inbufin Infusion
14	Macneda 500mg Infusion
Liquid Injectable Ampoule Section (General)	
1	Adosetron 8mg Injection
2	Malarescue 80mg Injection
3	Flamcast Injection
4	Parazyl L Injection
5	Diclolig Injection
6	Adosetron 4mg Injection
7	Malarescue 40mg Injection
8	D-Votal injection
9	Neurains250mg Injection
10	Calan injection
11	Nalbogin 10mg/ml Injection
12	Lacolit 10mg/ml Injection
13	Feromac Injection
14	Aqua Mac 5ml Injection
15	Sarmic 1gm Injection
16	VD3 Injection
17	Macmadol 50mg/ml Injection
18	Macglunol 40/0.04mg Injection
Oral Liquid Solutions (Rehydration Solution Section)	
1	Infalyte Oral Solution
Oral Liquid Syrup & Suspension Section	
1	Hista Mac Syrup
2	Macsufate Suspension
3	Famo Rains Suspension
4	Xeal Oral Liquid.
5	Macron- H Syrup.
6	Phine Suspension.
7	Maxin Syrup
8	Citramac -L Syrup
9	Fluromac Oral Solution
10	Diamac Syrup
11	Neubasol Oral Solutions
12	Macdin 0.5mg/ml Syrup
13	Masquine 50mg/5ml Syrup
Tablet Section (General)	

S. No.	Name of Product
1	Adosetron 8mg Tablet
2	Cinoxin 500mg Tablet
3	Ranoline SR 1000mg Tablet
4	Trample Tablet
5	Maczolid 600mg Tablet
6	Moxirains 400mg Tablet
7	Macron-H 100mg Tablet
8	Itomac Tablet
9	Cinoxin 750mg Tablet
10	Histamac 10mg Tablet
11	Macescita 10mg Tablet
12	Epigard Tablet
13	Paroxitol 20mg tablet
14	Metrosit 50/500mg Tablet
15	Metrosit 50/1000mg Tablet
16	Nitarains 500mg Tablet
17	Autiper Tablet
18	Tenorains 300mg Tablet
19	Macflox Tablet
20	Macsomide Tablet
21	Metazomide Tablet
22	Macdin 5mg Tablet
23	Mecoflox Tablet
24	Mecopram 20mg Tablet
25	Medoxyquine 200mg Tablet
26	Masquine 250mg Tablet
27	Macobic-C 500mg Chewable Tablet
28	Cyzit Tablet
29	Macglunol 80/80mg Tablet
Tablet Section (Psychotropic)	
1	Zidle 10mg Tablet
2	Dewory Tablet
3	Clonazera in tablet
4	Laxomac tablet
Capsule Section (General)	
1	Afcon Capsules 150mg
2	Temquin Capsule
3	MuGo 375mg Capsule
4	Piropain Capsule
5	Ezorain Capsule
6	Cyzit Capsule
7	Xeal Capsules 20mg
8	Omerains Capsules
9	Macmadol 50mg Capsule

S. No.	Name of Product
10	Macmocin 500mg Capsule
11	Macosalta 75mg Capsule
Sachet Section (General)	
1	Infalyte R Sachet
2	Ventek 4mg Sachet
3	Temquin Sachet
4	Bonistro Sachet
5	Bulgus Sachet
6	Infalyte L Sachet
7	Smectirol Powder Sachet
8	Omsenate Sachet
Dry Powder Suspension Section (General)	
1	Malarescue Dry Suspension
2	Clariza Dry Suspension
3	Afcon Dry Suspension
4	Cinoxin 250mg Dry Suspension
5	Cyzit Dry Suspension
6	Maczolid Dry Suspension
Cream & Ointment Section (General)	
1	Benestine Cream 1%
2	Bizrole Cream 2%
3	Binaz Cream 1%
4	Extinzine Cream 1%
5	Semycin Gel
6	Bicrole Cream 2%
7	Piropain Gel
8	Diclolig Gel 1% w/w
Eye Drop Section (General)	
1	Optilol Eye Drops
2	Cinoxin Eye Drops
3	Timbro Eye Drops
4	Oculacil Eye Drops
5	Cainzex Eye Drops
6	Bexalol Eye Drops (Suspension)
7	Moxirains Eye Drops
8	Ocutrav Eye Drops
9	Melose Eye Drop
Aerosol (Inhaler)	
1	Aeromac Inhaler (Aerosol)
2	Salbuhaler 100mcg Inhaler (Aerosol)
3	Mac's Nasal Spray
4	Macstone Inhaler
Plasma Expanders	
1	Plasma Plus

S. No.	Name of Product
2	Plexel-S 6% IV Solution
3	Aminosol S.V
4	Nephromac
5	Amisol
6	Aminorains
7	Aminomax-G Injection
Dialysis Solutions	
1	Macodialysis AC+ BC
Contract Manufacturing Products	
1	Sulbacef Plus Injection
2	Freszid Injection
3	Ceforains Injection
4	Triarains Injection

Working Capital Requirements of Searle IV

Since Searle IV is to be purchased as a running company (i.e. a going concern), it is expected that the working capital requirements of Searle IV will be managed through its own internal cash flows or facilities obtained by Searle IV itself. Furthermore, at this time, Searle IV also has availed short term financing facilities of PKR 30 Mn for meeting its working capital requirements.

Share Purchase Agreement

The Company (as the purchaser) has entered into a Share Purchase Agreement (“SPA”) with IBL Ops for the acquisition of 100% shareholding of Searle IV. In terms of the SPA, the shares of Searle IV shall be acquired from IBL Ops subject to the completion (or waiver) of relevant conditions precedents, including the parties obtaining the requisite approvals. In this respect, it may be noted that the Company requires the approval of its shareholders (by way of special resolution) in accordance with Section 199 of the Companies Act. The purchase price / consideration shall be paid on the closing date, at the time of transfer of the shares in favour of the Company. The Long Stop Date for closing / completion of the sale and purchase of the shares is stipulated as August 31, 2023 (or such other date mutually agreed between the Company and IBL Ops).

Furthermore, under the SPA, IBL Ops (as the seller) has provided detailed representations and warranties with respect to the sale shares and Searle IV, which are standard in a transaction of such nature.

It is highlighted that, in terms of the SPA, the obligation of IBL Ops (as the seller) to sell and transfer to the Company (as the purchaser), and the obligation of the Company to acquire, the shares of Searle IV shall be subject to, in addition to the actions required to be undertaken / completed at closing, the fulfilment / satisfaction of certain conditions, including those set forth below:

Condition Precedents:

- (i) the parties having obtained all corporate and regulatory approvals required for the purposes of entering into the SPA and implementing the transaction contemplated thereunder;

- (ii) the parties having performed and ensured compliance in all material respects with all obligations and conditions of this SPA required to be performed and complied with by the parties prior to or at the closing date;
- (iii) IBL Ops has complied, and ensured that its Board of Directors has complied, with the provisions of Section 76 of the Companies Act, 2017 and Articles of Association of Searle IV for the purposes of transferring the sale shares to the Company, and has provided the Company with the necessary documents evidencing the same;
- (iv) no material effect has occurred which adversely affects Searle IV or its business / operations;
- (v) there is no injunction, order, regulation, decision or action prohibiting or restraining the completion of the transaction and no governmental action in, by or before any court or governmental body is pending.

Financial Highlights of Searle IV for the Last Three Years

<i>In PKR Million</i>	FY 2020	FY 2021	FY 2022
<i>Name of the Statutory Auditor</i>	ASAD WAQAS & CO.	MALIK & CO.	MALIK & CO.
Revenue / Sales	709	715	544
Gross Profit	167	149	19
Profit / (loss) before interest and tax	64	44	40
Profit after tax	1	1	14
Net profit/loss	1	1	14
Accumulated profit/loss	106	105	119
Total Assets ²	480	453	755
Total Liabilities	238	166	118
Net equity	241	240	637
Break-up value per share (PKR)	531	178	472

Offer Price

The Company will be purchasing 100% shares (5,400,000 shares) of Searle IV through IBL Ops at a purchase price of PKR 648.12 per share.

Relative Price Measures

Below are some other price measures based on results of 30 June, 2022:

Price to Book (P/B)	5.5x
Price to Earnings (P/E)	246.6x
Price to Sales (P/S)	6.4x

² Increase in assets due to addition in property, plant & equipment

IBL Operations (Pvt.) Limited

IBL Ops is one of the largest distribution companies of Pakistan, engaged in distribution of pharma and consumer goods. IBL Ops was incorporated on February 17, 2011 and is a wholly owned subsidiary of International Brands (Private) Limited.

IBL Ops is engaged in the distribution of pharmaceutical and health care products. It has an annual turnover of PKR 26 Bn with distribution rights of major principals such as Searle, IBL Health Care, Searle Pakistan Limited, Searle Bio-Sciences etc.

IBL Ops has presence across 100 cities in Pakistan, serving 55,000 outlets and 37,000 pharmacies. It has a sales force of over 550 people, with the total employees in Pakistan numbering over 1,000. Given below is a financial snapshot of IBL Ops as at 30 June, 2022:

Amount in PKR Mn	FY 2022
Paid up capital	695
Net worth (total assets less total liabilities)	921
Revenue	26,071

Pre and Post Expansion Capacity of Searle

The capacity and production of the Company plants are indeterminable as these are multi product and involve varying processes of manufacture. After the acquisition of Searle IV, the production of units from Searle IV will indirectly add to the current production of the Company (since Searle IV will, as a consequence of the acquisition, become a wholly owned subsidiary of the Company).

Key Assumptions used in the valuation of Searle IV

The Searle Company Limited engaged a professional firm, KPMG Taseer Hadi & Co. to carry out the valuation of Searle IV. In determining the appropriate methodology for the valuation, Discounted cash flow approach was used as the primary valuation methodology. Under the DCF, forecasted cash flows are discounted back to the present date generating a net present value for the cash flow stream of the business. The cash flows were derived based on the below assumptions provided by TSCL:

	Unit	FY23	FY24	FY25	FY26	FY27
General Assumptions						
Days in year	Days	365	365	365	365	365
Revenue						
Price growth rate	%	20	15	15	11	10
Sales volume growth rate	%	35	35	30	20	20
Sales Discount	%	1	1	1	1	1
Expenses						
Average cost per unit	%	1	1	3.5	3.5	3.0
Distribution costs as a % of sales	%	1.5	1.5	1.5	1.5	1.5
Admin expenses as a % of sales	%	3	3	3	3	3
WPPF (% of EBIT)	%	5	5	5	5	5
WWF (% of EBIT)	%	2	2	2	2	2
Central Research Fund (% of EBIT)	%	1	1	1	1	1

	Unit	FY23	FY24	FY25	FY26	FY27
Short Term Borrowing cost	%	21	21	21	21	21
SOFP						
Inventory Days	Days	30	30	30	30	30
Receivables Days	Days	30	30	30	30	30
Payable Days	Days	50	50	50	50	50

The cash flows were discounted back by the valuator at a discount rate i.e. weighted average cost of capital of 19.31%. At the end of the forecast period, it is assumed that the net profits and hence the corresponding cash flows generated will continue indefinitely by calculating a terminal value. The valuator assumed a terminal growth rate of 9% given the sector in which the entity operates, its position therein and growth prospects.

b) Repayment of existing debt of the Company

The Company will utilize the remaining right issue proceeds i.e. of PKR 749,999,985 for repayment of some portion of its existing borrowings. The Company intends to partly pay off short term facility from Al-Baraka Bank Pakistan Limited, details of which are provided below:

Name of Lender	Al-Baraka Bank Pakistan Limited
Total Amount of Loan	PKR 1,200 Mn
Amount Outstanding	PKR 1,198 Mn
Date of Disbursement of Loan	Dec 09, 2020
Tenor of the Loan	1 year (renewable each year)
Profit Rate	KIBOR + 1.25%
Security	Charge over current assets of the Company

Reason for Issuing Right for Payment of Loan

The Company intends to reduce current debt levels and favourably improve its capital structure by reducing leverage in an increasing interest rate environment, and, consequentially, improve the Company's profitability and financial ratios which is expected to increase shareholder returns.

Impact of Loan Repayment on Financial Position

The Company has total debt of c. PKR 17,039 Mn and a debt to equity ratio of 38.1%: 61.9% as at March 31, 2023. Post right shares issuance, debt of the Company will reduce to c. PKR 16,289 Mn (subject to availing additional facilities and / or repayment of amounts in due course) and debt to equity ratio of the Company will improve to 33.8%: 66.2% thereby improving the financial position of the Company. Given below is the pre and post right shares issuance breakdown of outstanding debt of the Company:

In PKR Million	Pre Right ³	Post Right ⁴
Long Term Debt ⁵	8,349	7,599
Short Term Debt ⁶	8,690	7,940
Total Debt	17,039	16,289
Total Equity	27,677	31,927 ⁷
Debt to Equity Ratio	38.1%	33.8%

1.3. FINANCIAL EFFECTS ARISING FROM RIGHT ISSUE

	Measurement Unit	Pre Issue	Post Issue	Increase in %
As at March 31, 2023				
Authorized Capital ⁸	PKR Mn	6,000	6,000	-
Paid-up-Capital	PKR Mn	3,901	5,115	31.1%
Net Asset/ Breakup value per share	PKR	70.9	62.4	(12.0%)
Gearing Ratio	%	38.1%	33.8%	(11.3%)
Production Capacity ⁹	OSD - Packs	96,000,000	96,000,000	N/A
	Liquids - Bottles	65,400,000	65,400,000	
	Sachets	120,000,000	120,000,000	
	Sterile Packs	3,600,000	3,600,000	
	Searle IV - Packs	-	8,000,000	
Market Share (as per IMS)	Ranking - in terms of units	2 nd	2 nd	N/A

1.4. TOTAL EXPENSES TO THE ISSUE

Bankers Commission	0.075%
Underwriting Commission	1.00%
Underwriter Take-up Commission	2.00%
Bankers to the Issue – Out of Pocket	PKR 100,000
CDC – Fresh Issue Fee	PKR 7,274,168
CDC – Annual Fees for Eligible Security (Listing Fee)	PKR 1,000,000
PSX Fee (0.2% of increase in paid-up capital)	PKR 2,428,571
SECP Supervisory Fee (10% of fees paid to PSX)	PKR 242,857
Auditor Fee for Auditor Certificates	200,000

³ As at March 31, 2023

⁴ Subject to, *inter alia*, additional facilities availed by the Company and / or repayments of amounts made from time to time in the Company's due course of business.

⁵ Includes both Non-current and Current portion of long term debt

⁶ Includes short term borrowing, accrued mark-up & loan from wholly owned subsidiary

⁷ Including the approx. PKR 4,250 bn proceeds of right shares proceeds

⁸ Authorized share capital of the Company has been increased to PKR 7 Bn on July 26, 2023

⁹ Searle IV's line of business is different from TSCL. Accordingly, the production capacity as a whole will increase through this acquisition

1.5. DETAILS OF UNDERWRITERS

Name of the Underwriter	Amount Underwritten	Associated Company/Associated Undertaking of the Issuer
Arif Habib Limited	841,766,870	No
Pak China Investment Company Limited	299,999,980	No
MRA Securities	224,999,985	No
Mohammad Munir Mohammad Ahmed Khanani Securities Limited	199,999,975	No
Dawood Equities	199,999,975	No
Growth Securities	199,999,975	No
Adam Securities Limited	25,000,010	No

1.6. COMMITMENTS FROM SUBSTANTIAL SHAREHOLDERS/DIRECTORS:

Name of the person	Status (Substantial Shareholder/Director)	Number of Shares Committed to be subscribed ¹⁰	Amount Committed to be Subscribed	Shareholding % - pre issuance	Shareholding % - post issuance ¹¹
Mr. Adnan Asdar Ali	Director	1,890	66,150	0.002	0.002
Mr. S. Nadeem Ahmed	Director	2,170	75,950	0.002	0.002
Mr. Zubair Razzak Palwala	Director	98,381	3,443,335	0.081	0.081
Mr. Munis Abdullah	Director	40,200	1,407,000	0.033	0.033
Mr. Mufti Zia Ul Islam	Director	4,479	156,765	0.004	0.004
Dr. Atta Ur Rehman	Director	15,461	541,135	0.013	0.013
Mrs. Shaista Khaliq Rehman	Director	59,977	2,099,195	0.049	0.049
International Brands (Private) Limited	Substantial Shareholder	64,225,624	2,247,896,840	52.892	52.892

¹⁰ These may be subscribed through persons arranged by the said directors as permitted under the Regulations.

¹¹ Subject to actual subscription of right entitlements (as stated above, the same may be subscribed by persons arranged by individuals) and / or subscription of additional shares.

Mrs. Mahboob Khan	Wife of Mr. Adnan Asdar Ali	72,767	2,546,845	0.060	0.060
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1.7. FRACTIONAL SHARES

The Board of Directors of the Company have resolved in their meeting held on May 25, 2023 that all fractional entitlements, if any, will be consolidated in the name of the Company Secretary (under trust), and unpaid letters of right in respect thereof shall be sold on the PSX, the net proceeds from which sale, once realized, shall be distributed / paid to the entitled shareholders in proportion to their respective entitlements as per the Regulations.

1.8. IMPORTANT DATES

THE SEARLE COMPANY LIMITED Tentative Schedule for Issuance of Letter of Rights Book Closure: From August 21, 2023 to August 25, 2023			
S. No.	Procedure	Day	Date
a)	Date of credit of unpaid Rights into CDC in Book Entry Form	Monday	August 28, 2023
b)	Dispatch of Letter of Right (LOR) to physical shareholders	Wednesday	August 30, 2023
c)	Intimation to Stock Exchange for dispatch of physical Letter of Rights	Wednesday	August 30, 2023
d)	Commencement of trading of unpaid Rights on the Securities Exchange	Thursday	August 31, 2023
e)	Last date of trading of letter of Rights	Thursday	September 21, 2023
f)	Payment of subscription amount start date	Thursday	August 31, 2023
g)	Last date for acceptance of payment	Friday	September 29, 2023
h)	Allotment of shares and credit of Shares into CDS	Thursday	October 19, 2023
i)	Date of dispatch of physical shares certificates	Friday	October 27, 2023

2 SUBSCRIPTION AMOUNT PAYMENT PROCEDURE

- Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "The Searle Company Limited Right Shares Subscription Account" through any of the authorized branches of above-mentioned bank(s) on or before September 29, 2023 along with this Right Subscription Request* duly filled in and signed by the subscriber(s).
- Right Subscription Request can be downloaded from www.searlecompany.com
- In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of equivalent amount in Pak Rupees should be sent to the Company Secretary, (The Searle Company Limited) at the registered office of the issuer along with Right Subscription Request (both copies) duly filed and

signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.

- d) All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited. Cheque is subject to realization.
- e) The Banker to the Issue will not accept Right Subscription Request delivered by post which may reach after the closure of business on September 29, 2023, unless evidence is available that these have been posted before the last date of payment.
- f) Payment of the amount indicated above to the Issuer's Banker(s) to the Issue on or before September 29, 2023 shall be treated as acceptance of the Right offer.
- g) After payment has been received by the Company's Banker(s) to the Issue, the Right Securities will be credited into respective CDS Accounts within 14 business days from the last payment date. Paid Right Subscription Request will not be traded or transferred.

3 PROFILES OF THE BOARD OF DIRECTORS OF THE COMPANY AND SPONSORS

BOARD OF DIRECTORS		
Name	Position	Date of Election/Appointment
Mr. Adnan Asdar Ali	Chairman	28-10-2020
Mr. Syed Nadeem Ahmed	Chief Executive Officer	28-10-2020
Mr. Zubair Razzak Palwala	Director	28-10-2020
Mr. Munis Abdullah	Non-Executive Director	26-02-2021
Dr. Atta Ur Rehman	Independent Director	28-10-2020
Ms. Shaista Khaliq Rehman	Independent Director	28-10-2020
Mr. Mufti Zia Ul Islam	Non-Executive Director	15-06-2021

3.1. PROFILE OF THE BOARD OF DIRECTORS OF THE COMPANY

Mr. Adnan Asdar Ali - Chairman

Mr. Adnan Asdar Ali has over 25 years of progressively diverse experience in the discipline of structural and forensic engineering and construction management. He is the co-founder of Multinet Pakistan (Pvt.) Ltd. and is their current Chief Executive. Adnan is also a Partner at AAA Partnership (Pvt.) Ltd., a company he formed in 1987 where he overlooked the entire project management portfolio of the organization covering vast disciplines of structural and forensic engineering, construction management, project management, liaison with local and international consultants, quality control and testing procedures for a wide range of construction and other engineering material.

Lately, most of Adnan's time has been dedicated to philanthropic efforts with special interest in working on housing schemes for low income areas, reconstruction of homes and shelters through disaster management initiatives. He is actively involved with The Citizens Foundation (TCF), an NGO where he also plays the role of a member of the executive committee. In 2005 Adnan led the rehabilitation efforts of the TCF Relief Fund to build shelters and homes in areas devastated by the earthquake – an effort which led to the construction of over 8,200 earthquake resistant houses throughout the Kashmir area. Currently, he is deeply involved with Karachi Relief Trust, which he co-

founded in 2007, to manage its volunteers on the field, facilitate their immediate relief efforts and to reconstruct homes in the flood affected areas in Pakistan.

Adnan currently holds advisory positions in several non-profit organizations such as:

Member of the Board of Directors of:

- Co-Founder & Member of the Board of Directors of:
- The Indus Hospital www.indushospital.org.pk
- The Hunar Foundation www.hunarpakistan.org
- Karachi Relief Trust www.karachirelief.org

Adnan started his career with Twin City Testing in Minnesota, USA after which he joined 3M Corporation in Minnesota, USA where he conducted investigative work for plants across USA for failure prevention and rehabilitation of operating units. He has a B.S. in Civil Engineering from the University of Wisconsin after which he went on to complete his M.S. in Forensic Engineering from University of Minnesota.

Syed Nadeem Ahmed – Chief Executive Officer

Mr. Syed Nadeem Ahmed holds a Doctorate in Business Administration with his dissertation on 'Evolving Pharmaceutical Marketing Practices in Europe and Asian Markets: Challenges & Opportunities'. He also holds a graduate degree in Mechanical Engineering and Management and post graduate degree in Management Engineering.

Mr. Nadeem has been the Chief Executive Officer of The Searle Company Limited (TSCL) since last 13 years. During his tenure as CEO, Searle has achieved phenomenal growth and success both locally and internationally.

Apart from being on the board of TSCL, he is also on the board of other group companies including International Brands (Pvt) Limited, Searle Pakistan Limited, IBL HealthCare Limited, United Brands Limited and IBL Operations (Private) Limited.

Mr. Nadeem has attended courses, workshops and seminars at THE IET (London, UK), Adamson University (Manila, Philippines) Harvard University (Boston, USA) University of Oxford, European University and Business School (Geneva, Switzerland). He has also received Fellow status from Chartered Management Institute (CMI, Royal Charter, England), member status from The Institute of Engineering and Technology UK and Highest Award of Honor from Cyprus International University, Nicosia, Cyprus. He has also delivered lectures in the leading business universities and institutions of Pakistan.

Mr. Nadeem has over 26 years of experience of Pharmaceutical and healthcare Industry.

Mr. Zubair Razzak Palwala – Director

Mr. Zubair Razzak Palwala holds Masters' degree in Business Administration (MBA). Mr. Zubair started his career with A.F. Ferguson & Co (PwC) in 1987. He is associated with IBL Group since 1994. He currently holds the portfolio of CEO of IBL Operations (Private) Limited, Group Director Banking and Corporate affairs and Company Secretary of The Searle Company Limited (TSCL). He also worked as Head of First UDL Modaraba and Managing Director of United Distributors Pakistan Limited.

Besides being on the board of TSCL, Mr. Zubair is also on the board of Searle Pakistan Limited, IBL HealthCare Limited, United Brands Limited and IBL Operations (Private) Limited.

Mr. Zubair also serves on the board of Pakistan Stock Exchange (PSX) Limited. He is also a trustee of The Caravan of life which is a non-profit organization.

Mr. Zubair has over 30 years of experience of finance, banking and corporate affairs.

Mr. Munis Abdullah - Non Executive Director

Mr. Munis Abdullah holds a Bachelor of Design degree from the Indus Valley School of Art and Architecture with an overall distinction and a recipient of Founder's award.

Mr. Munis started his career from Proctor & Gamble (P&G) in 2004. He is associated with IBL Group since 2007. He is currently working as Group CEO of International Brands (Private) Limited, ultimate parent company of The Searle Company Limited (TSCL). Mr. Munis is currently overseeing an organizational transformation at IBL Group which will enable IBL group to continue its growth trajectory at a rapid pace in the next decade and beyond as envisioned by the former chairman of the IBL Group, Mr. Rashid Abdulla (late) who was one of the leading businessman and entrepreneur of the country. Mr. Munis also worked in the capacity of Group Chief Human Resource Officer and oversaw a transformation process across the IBL Group companies to transform it from a family business to a professionally managed business conglomerate.

Besides being on the board of TSCL, Mr. Munis is also on the board of other group companies including International Brands (Pvt) Limited, IBL HealthCare Limited, United Brands Limited and IBL Operations (Private) Limited.

Mr. Munis is also a member of the Executive Committee and Finance and Planning Committee of Indus Valley School of Art and Architecture which is a center of excellence in providing education in the fields of fine arts, design, and architecture.

Mr. Munis has over 17 years of experience in Retail, FMCG, Pharmaceutical, Health care, Distribution, and Information Technology sectors.

Professor Dr. Atta Ur Rehman - Independent Director

Prof. Dr Atta-ur-Rahman is a Pakistani scientist specializing in organic chemistry who served as the Chairman of the Higher Education Commission of Pakistan between October 2002 until September 2008 and the Minister for Science and Technology between March 2000 and September 2002. He currently serves as President of Network of Academics of Science in Countries of the Organization of Islamic Conference (NASIC) and Professor/Patron-in-Chief of International Center for Chemical and Biological Sciences (H.E.J. Research Institute of Chemistry and Dr. Panjwani Center for Molecular Medicine and Drug Research) University of Karachi, Pakistan.

Prof. Dr Atta Ur Rehman has a vast experience of over 56 years. He is awarded with Nishan-i-Imtiaz, Hilal-i-Imtiaz, Sitara-i-Imtiaz and Tamgha-i-Imtiaz by the Government of Pakistan.

Prof. Atta-ur-Rahman has won the International Scientific Corporation Award by Chinese Academy of Science (CAS). He has been appointed as Chairman of Prime Minister's Task Force on Science and

Technology, Vice Chairman on Prime Minister's Task Force on Technology Driven Knowledge Economy, and Co- Chair, Task Force on Information Technology.

Prof. Atta-ur-Rahman has over 1,207 publications in the fields of organic chemistry including 45 patents, 335 books and 69 chapters in books published by major U.S. and European presses and 758 research publications in leading international journals. On the basis of his research, 82 students have been awarded Ph.D. degrees in various areas of natural product chemistry whose names and titles of thesis are given on pages.

Ms. Shaista Khaliq Rehman - Independent Director

Ms. Shaista Khaliq Rehman completed her Bachelor of Architecture from Indus Valley School of Art & Architecture in 1997. She joined Arshad Shahid Abdullah (Private) Limited as an Architect/Project Manager. Thereafter, she was appointed the Chief Operating Officer due to her interest and grasp of management aspects of processing projects. The added responsibilities of the COO position deeply involved her into Business Operations, Finance, Public Relations, Contract Administration, Office Administration and Human Resource aspects of running a Private Architectural Firm.

She is also on the Board of Directors of the Company as an Independent Female Director and also chairing the Audit & HR remuneration committee of the Company.

Mr. Mufti Zia Ul Islam - Non-Executive Director

Mr. Mufti Zia ul Islam holds a Bachelor of Science degree and an MBA degree from reputable universities of Pakistan. He has more than 28 years of experience in the Pharmaceutical and Nutrition industry. He started his career from NUTRICIA, a Dutch Nutritional Company and was an integral part of team during the launch of Nutrition products in Pakistan. He joined the Company as Field Manager and served for 27 years at various positions in sales and marketing department, elevated to the position of Marketing Manager, General Manager and then as Director Marketing. He established the most successful brands in the area of Cardiology, Respiratory Care, GI Management and Pain Management. He was also looking after the operations of the Company's Lahore Plant. Currently, he is serving as CEO of IBL HealthCare Limited, a subsidiary of the Company.

3.2. DIRECTORS DIRECTORSHIP IN OTHER COMPANIES

S. No.	Name	Designation	Directorship in Other Companies
01.	Mr. Adnan Asdar Ali	Chairman	Multinet Pakistan (Private) Limited Optix Pakistan (Private) Limited Lyceum School MyCart Private Limited The Indus Hospital The Hunar Foundation Karachi Relief Trust Oursun Solar Power Limited MyWater (Private) Limited Objexyz (Private) Limited MyHCM Pakistan (Private) Limited

			Code Labs (Private) Limited Humwell (Private) Limited Preon Technologies (Private) Limited Karachi Relief Trust-KRT Progressive Educational Network-PEN Indus Valley School of Art and Architecture Institute for Transformative Technologies (Berkeley, California) Sabaq Learning Foundation National Vocational and Technical Training Commission House Building Finance Company National Skills University Islamabad
02.	Syed Nadeem Ahmed	Chief Executive Officer	IBL Unisys (Pvt.) Limited IBL Healthcare Limited International Brands (Pvt.) Limited Nextar Pharma (Pvt.) Limited IBL Frontier Markets (Pvt.) Limited IBL Future Technologies (Pvt.) Limited United Brands Limited Searle Pakistan Limited IBL Operations (Pvt.) Limited Searle Pharmaceuticals (Pvt.) Limited Searle Laboratories (Pvt.) Limited Searle BioSciences (Pvt.) Ltd. IBL Logistics (Private) Limited
03.	Mr. Zubair Razzak Palwala	Director	IBL Unisys (Pvt.) Limited IBL Healthcare Limited IBL Frontier Markets (Pvt.) Limited United Brands Limited Mycart (Pvt.) Limited Pakistan Stock Exchange Ltd. Searle Pakistan Limited IBL Operations (Pvt.) Limited Searle Pharmaceuticals (Pvt.) Limited Searle Biosciences (Pvt.) Limited Searle Laboratories (Pvt.) Limited The Recovery House
04.	Mr. Munis Abdullah	Non-Executive Director	United Brands Limited IBL HealthCare Limited IBL Operations (Private) Limited International Brands (Private) Limited Searle Biosciences (Pvt.) Limited IBL Future Technologies (Pvt.) Limited Universal Ventures (Private) Limited United Retail (Private) Limited The IBL Company (Private) Limited IBL Holdings (Private) Limited Rashid Abdulla Foundation Imperial Brands (Private) Limited Steller Ventures (Private) Limited

05.	Dr. Atta Ur Rehman	Independent Director	Bigg Rice (Private) Limited Biocorp (Private) Limited Rahman Industries (Private) Limited ICCBS Technology Park (Pvt.) Ltd. The Kidney Foundation Karachi Education Initiative
06.	Ms. Shaista Khaliq Rehman	Independent Director	-
07.	Mr. Mufti Zia Ul Islam	Non-Executive Director	IBL Healthcare Limited Baby Food & Nutrition Council Searle Pharmaceuticals (Pvt.) Limited Searle Biosciences (Pvt.) Limited Searle Laboratories (Pvt.) Limited Searle Pakistan Limited

3.3. PROFILE OF SPONSOR OF THE COMPANY

International Brands (Private) Limited

IBL is a diversified business house engaged in a wide range of business activities, including distribution, sales, health care and pharma. IBL was incorporated in Delhi in 1887 as United Distributors Limited (“UDL”) and operated as a distributor of W.D. & H.O. Wills Cigarettes. Post-partition, UDL moved its operations to Karachi. In 1991, due to change in partnership structure, IBL was formed. IBL has played an instrumental role in establishing the businesses of many major multinational companies of which Procter & Gamble (P&G) and Gillette are key mentions. These businesses were handled solely by IBL until 2008 when it divested its P&G and Gillette distribution businesses to another distributor. IBL has worked with various well-known blue chips clienteles:



Directors Shareholding

Name	Designation	No. of Shares	% Shareholding
MUNIS ABDULLAH	Director	14,458,095	6.15%
FAIZA NAEEM	Director	11,022,268	4.69%
FAISAL ABDULLA	Director	16,737,417	7.12%
SYED NADEEM AHMED	Director	2,313,610	0.98%
ASLAM KHALIQ	Director	1	0.00%
ADNAN ASDAR ALI	Director	1	0.00%

4 FINANCIAL DETAILS OF THE ISSUER**4.1. Financial Highlights of the Issuer for the Last Three Years**

<i>In PKR Million</i>	FY 2020	FY 2021	FY 2022
<i>Name of the Statutory Auditor</i>	A.F. FERGUSON & CO.	A.F. FERGUSON & CO.	A.F. FERGUSON & CO.
Revenue / Sales	16,567	16,570	17,737
Gross Profit	8,272	8,549	8,648
Profit / (loss) before interest and tax	3,946	4,057	4,254
Profit after tax	2,455	2,123	2,091
Net profit/loss	2,455	2,123	2,091
Accumulated profit/loss	11,389	13,006	13,995
Total Assets	25,381	43,926	47,831
Total Liabilities	8,510	19,438	20,794
Net equity	16,871	24,488	27,038
Break-up value per share (PKR)	79.4	102	86.6
Earnings / (loss) per share (PKR)	11.25	7.01	6.7
Cash Dividend (%)	25%	20%	-
Bonus Issue (%)	-	30%	25%

4.2. Financial Highlights of Preceding One Year of Consolidated Financial Statements

The consolidated financial statements include IBL HealthCare Limited, Searle Pakistan Limited, Searle Biosciences (Private) Limited, IBL Future Technologies (Private) Limited, Searle Laboratories (Private) Limited and Searle Pharmaceuticals (Private) Limited:

<i>In PKR Million</i>	FY 2022
Revenue / Sales	29,910
Gross Profit	13,119
Profit / (loss) before interest and tax	5,778
Profit after tax	2,416
Accumulated profit	14,040
Total Assets	55,732

Total Liabilities	25,040
Net equity	30,691
Break-up value per share (PKR)	98.3
Earnings / (loss) per share (PKR)	7.54
Cash Dividend per share (PKR)	-
Bonus issue (%)	23

4.3. DETAILS OF ISSUE OF CAPITAL IN PREVIOUS FIVE YEARS

Right issue	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Percentage		13.0%	-	-	
Number of shares		27,615,281	-	-	
Amount Raised (PKR)		4,694,597,770	-	-	
Unsubscribed Portion (PKR)	-	329,561,150	-	-	-
Unsubscribed portion allotted by BOD (PKR)	-	329,561,150	-	-	-
Unsubscribed portion taken up by the Underwriter	-	-	-	-	-
Proceed utilization break up		Business expansion/ diversification and working capital requirements			

4.4. AVERAGE MARKET PRICE OF THE SHARE OF THE ISSUER DURING THE LAST SIX MONTHS

Average market price of the share of the Company during the last six months (from February 01, 2023 – August 04, 2023) is PKR 49.42 per share.

4.5. SHARE CAPITAL AND RELATED MATTERS

Pattern of Shareholding of the Issuer

Shareholders	Shares Held	(%)
Directors, Chief Executive Officer, their Spouse(s) and Minor Children		
Mr. Adnan Asdar Ali	6,073	0.00%
Syed Nadeem Ahmed	6,971	0.00%
Mr. Zubair Razzak Palwala	316,031	0.08%
Mr. Munis Abdullah	129,137	0.03%
Dr. Atta ur Rahman	49,667	0.01%
Mrs. Shaista Khaliq Rehman	192,667	0.05%
Mufti Zia ul Islam	14,390	0.00%
Mrs. Mahboob Khan	233,750	0.06%
Sub-total	948,686	0.24%
Associated Companies, undertakings and related parties		

International Brands (Private) Limited	206,312,425	52.89%
IBL Operations (Private) Limited	108,290	0.03%
Imperial Brands (Private) Limited	42,943	0.01%
Trustee Searle Pakistan Limited Provident Fund	1,796,817	0.46%
United Brands Limited Staff Provident Fund	5,911	0.00%
IBL Operations (Private) Limited Staff Provident Fund	57,775	0.01%
Mr. Athar Iqbal	47,937	0.01%
Mr. Tahir Ahmed	22,750	0.01%
Mr. Moujood ul Hassan	26,063	0.01%
Mr. M. Sajid Hussain	40	0.00%
Sub-total	208,420,951	53.43%
Banks Development Financial Institutions, Non-Banking Financial Institutions	20,219,769	5.18%
Insurance Companies	8,789,740	2.25%
Modarabas and Mutual Funds	14,272,593	3.66%
General Public	89,156,387	22.86%
Foreign Companies	10,656,479	2.73%
Others (Trust & Funds and Joint Stock Companies)	37,601,248	9.64%
Total	390,065,853	100%

Shares held by Directors, Sponsors and Substantial Shareholders of the Issuer (both Existing and Post Right Issue)

Shares held by	Existing Shareholding	%	Post Right Shareholding ¹²	%
Directors				
Mr. Adnan Asdar Ali	6,073	0.00%	7,963	0.00%
Mr. S. Nadeem Ahmed	6,971	0.00%	9,141	0.00%
Mr. Zubair Razzak Palwala	316,031	0.08%	414,412	0.08%
Mr. Munis Abdullah	129,137	0.03%	169,337	0.03%
Dr. Atta Ur Rehman	49,667	0.01%	65,128	0.01%
Ms. Shaista Khaliq Rehman	192,667	0.05%	252,644	0.05%
Mr. Mufti Zia Ul Islam	14,390	0.00%	18,869	0.00%
Sponsors/Substantial Shareholders				
International Brands (Private) Limited	206,312,425	52.89%	270,538,049	52.89%

Details and shareholding of holding company:

IBL is the holding company of TSCL, which holds 52.89% shareholding in the Company.

¹² Subject to the actual number of shares subscribed during the Right Issue (note that directors and subscribers may arrange for others to subscribe to their entitlements; furthermore, such persons may subscribe to additional shares offered by the Board).

5 RISK FACTORS

5.1. RISK ASSOCIATED WITH THE RIGHT ISSUE

Undersubscription Risk

This is the risk that the Right Issue may get undersubscribed due to lack of interest from shareholders of the Company. The Right Issue is being carried out at a price which is less than the current share price in the market and hence there is no major investment risk associated with the Right Issue. The substantial shareholder and directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue will be underwritten in accordance with the applicable laws.

Longevity of Searle IV Plant

A second-hand plant may not last as long as a new plant, and may exhibit issues post-acquisition. Secondly, higher maintenance and repair cost of the second-hand plant compared to establishment of a new plant may lead to relatively higher costs impacting the gross and net margins.

5.2. RISK ASSOCIATED WITH ISSUER

1. Internal Risk Factors

Operational Risk

Operational risk summarizes the uncertainties and hazards a business faces when it attempts to conduct its day-to-day business activities specifically in relation to plant operation. It can result from breakdowns in internal procedures, people and systems.

A high turnover ratio of skilled staff, disruption in the Company's supply chain, or inappropriate planning could be a major determinant to operational risk for the Company, specifically with training of employees for operating plant of Searle IV and retaining skillful staff for this plant.

Procurement Risk

The pharmaceutical sector is reliant on import of raw material (approximately 95% of the total raw material is imported from China and India). Hence, any increase in cost of procurement and/or disruption in procurement process, such as import bans or disruption of freight from exporting countries could result in business losses. A majority of the Company's raw material requirement is imported in line with the industry; consequently, any disruption in supply due to any reason can adversely impact the Company's profitability.

Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposure, limiting transactions with specific counter parties and continually assessing the credit worthiness of counter parties. The Company is mainly exposed to

credit risk on accounts such as trade debts, tender deposits, short term prepayments, loans and advances, other receivables and bank balances. However, the Company has deployed efficient policies and checks to control credit risk as such that no write off has been incurred in past. The Company is committed to implement strong controls in the future as well. No default has occurred on account of these advances or other receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The Company's outstanding financial obligations as at 31st March, 2023 are PKR 23,176 Mn out of which PKR 17,039 Mn pertains to debt obligations and PKR 6,137 Mn pertain to trade creditors. The Company has sufficient current assets to meet its current liabilities and trade creditors.

Risk of Dependency on Distributor

The Company distributes around 84% (FY 2022) of its product through IBL Ops. This poses a risk of higher dependency on a single distributor.

Pending Litigation

Details of all material legal proceedings are mentioned under Section 6 of the Offer Document. The management of the Company is confident of favourable outcome of these proceeding and that the net financial liability from the legal proceedings in case of unfavourable outcome is PKR 426.77 Mn and among the pending cases, the cumulative expected liability in the cases whereby the Company has challenged the withdrawal of exemption on intercorporate dividend is PKR 1,171.16 Mn.

Risk of Non-compliance with Regulations of SECP and PSX

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading up to potential suspension in trading of its shares as well as delisting.

2. External Risk Factors

Business Risk

Business risk is the possibility of the Company reporting lower than anticipated profits or loss due to factors such as:

- Increase in input costs such as raw materials especially due to fluctuating exchange rates
- Decrease in sales volume
- Risk of consumer orders not being placed

Around 90% of the pharmaceutical APIs used in the production by the Company are imported. Any significant devaluation in the rupee can have a massive impact on the cost of production of the Company which may result in lower profit.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As per market practices, Company's borrowings are on variable interest rate exposing the Company to interest rate risk. When interest rates are high, borrowing costs increase, making it more expensive for the Company to finance its operations. This can lead to reduced business spending, lower economic growth, and decreased profitability. It also discourages business investment as financing new projects becomes more expensive.

As at March 31 2023, the Company has variable interest bearing financial liabilities of PKR 17,039 million. An increase in interest rate will increase the overall finance cost of the Company which may result in lower profits.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument or any payment or receivables fluctuates because of the changes in foreign exchange rate. The PKR has depreciated by c. 39.5% since the start of FY 2023 (June 30, 2022 – May 25, 2023 from PKR 204.85/USD to PKR 285.74/USD).

The Company has both receivable and payable balances in foreign currency which acts partly as natural hedge to Company's exposure. However, since majority of the pharmaceutical raw material is imported, and exports are relatively much lower, foreign exchange risk is high. The devaluation of exchange rates negatively impacts the margins of the Company as imported raw materials and finished products become more expensive.

Economic Slowdown

Slow down and/or deterioration of macroeconomic conditions could trigger a reduction in disposable incomes, compelling consumers to switch to cheaper options to meet healthcare needs.

Growth of any sector is affected by the economic conditions prevailing in the country. An economic slowdown may adversely affect the growth and performance of the healthcare sector as a whole. The risk of economic slowdown is also present for the export destinations hence reducing the ability to export in larger numbers.

The prevalent economic scenario is on a downward spiral with devaluing home currency and shortage of USD in the Country. The shortage of USD may result in import restrictions which can impact the production of the Company as 90% of the APIs are imported.

Global Economic and Financial Market Risk

Due to ongoing geopolitical disruption causing high commodity prices, all major economies of the world including USA, UK and European countries are facing inflationary pressure. Some of the major global financial institutions are foreseeing signs of recession in major countries which may cause

volatility in international financial markets. The ripple down effect may affect the Pakistani economy and financial markets adversely, which could impact the overall macro condition of the Country with limited ability of the government to secure new debt from international markets, which in turn could affect the PKR/USD parity.

Regulatory Risk

Regulatory risk encompasses change in the policies of the Government of Pakistan that may affect the industry in the future. Changes in regulatory framework such as imposition of stricter duties on import of pharmaceutical raw materials can greatly influence the performance of the pharmaceutical sector. Moreover, increase in regulatory duties or other taxes on import of raw material or finished goods would impact the cost of procurement.

Pricing Risk

In Pakistan, prices of all pharmaceutical products are fixed by DRAP and cannot be changed unilaterally by the pharmaceutical companies. Any new price or increase requires approval from the DRAP. Currently prices can be revised annually based on the CPI index. Introduction of any adverse pricing policies can significantly affect the Company's operations.

Delays in Implementation of Annual Price Increase

The Drug Pricing Policy, 2018 allows pharmaceutical companies to increase the prices of their medicines annually in line with inflation. However, the regulatory process for implementation of the annual increase in prices is time taking and results in delayed pass on in drug prices to customers.

Risk of Substitutes

There is a material risk of consumers switching from registered medicines to alternatives such as herbs and other unregistered medicines. This is especially true for rural areas where health facilities are either poor or non-existent, and low literacy rates prevent people from recognizing the superiority of tested, registered medicines.

3. Additional Risk Factors

Profitability

Searle IV posted a loss after tax of PKR 0.95 Mn and PKR 1.43 Mn in FY 2020 and FY 2021 respectively. This was mainly due to higher admin expenses along with higher finance costs. However, it posted a profit after tax of PKR 14.19 Mn in FY 2022 due to much controlled admin expenses.

Negative Operating Cash Flow

The negative operating cash flow of Searle IV for FY 2020 and FY 2022 was PKR 65.98 Mn and PKR 12.07 Mn respectively. This was mainly due to poor capital management and higher finance costs.

NOTE: IT IS STATED THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF, ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

6 LEGAL PROCEEDINGS:

6.1. OUTSTANDING LEGAL PROCEEDINGS OF THE COMPANY

There are routine litigations incidental to the business operations, to which the Company is a party. However, none of them are expected to have any material impact on the Company or its shareholders except for the following:

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
1	MA 07 of 2007	Searle Pakistan Limited (now The Searle Company Limited) Vs. Monopoly Control Authority	November 10, 2007	High Court of Sindh - Karachi	2007-08	Amount of liability cannot be estimated	PENDING	The case is pending in the High Court of Sindh	As per the legal counsel M/s A.K Brohi & Co. the Company has a reasonable case in the matter. Therefore the management of the Company believes the outcome will be in favor of the Company
2	Suit No. 777 of 2012	Searle Pakistan Limited (now The Searle Company Limited) Vs. Father and Sons (Pvt) Limited	January 2, 2012	High Court of Sindh - Karachi	2011-12	Amount of liability cannot be estimated	PENDING	The matter is pending for hearing of applications.	The case is at the stage of hearing of applications. The management of the Company believes the outcome will be in favor of the Company
3	Suit No. 818 of 2012	The Searle Company Limited Vs. KMC & Ors	July 20, 2012	High Court of Sindh - Karachi	2012-13	Amount of liability cannot be estimated	PENDING	The matter is pending for hearing of applications.	The case is at the stage of hearing of applications. The management of the Company believes the outcome will be in favor of the Company
4	HCA No. 05 of 2016	Delhi Mercantile Muslim Co-operative Housing Society Limited Vs. The Searle Company Limited	January 14, 2016	High Court of Sindh - Karachi	2015-16	Amount of liability cannot be estimated	PENDING	The matter is at the stage of hearing of applications as well as main case.	The matter is at the stage of hearing of applications as well as main case. The management of the Company believes the outcome will be in favor of the Company
5	CP No. D-1078 of 2014	The Searle Company Limited Vs. Federation of Pakistan & Ors	March 5, 2014	High Court of Sindh - Karachi	2013-14	354.97	PENDING	The matter is at the stage of hearing of cases (Priority).	The case is at the stage of hearing of Hearing of Cases (Priority). The management of the Company believes the outcome will be in favor of the Company

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
6	Suit 1193 of 2017	The Searle Company Limited Vs. Province of Sindh & Ors	May 8, 2017	High Court of Sindh - Karachi	2016-17	Amount of liability cannot be estimated	PENDING	The case is at the stage of hearing of applications.	The court directed the parties to maintain status quo. The case is at the stage of hearing of applications. The management of the Company believes the outcome will be in favor of the Company
7	HCA No. 257 of 2015	The Searle Company Limited Vs. Federation of Pakistan & Ors	September 14, 2015	High Court of Sindh - Karachi	2015-16	71.8	PENDING	The Court suspended operation of the judgment assailed in this appeal and the matter is at the stage of Hearing of Cases (Priority).	The Court suspended operation of the judgment assailed in this appeal and the matter is at the stage of Hearing of Cases (Priority). The management of the Company believes the outcome will be in favor of the Company
8	Suit No. 1218 of 2021	Searle Pakistan Limited (now The Searle Company Limited) Vs. National Insurance Co. Ltd	December 15, 2021	District Courts of Sindh at Karachi	2021-22	Amount of liability cannot be estimated	PENDING	The matter is at the stage of evidence of the Defendant.	In our view, the Company has a good defence in the matter and is not likely to suffer any loss on account of this litigation, we believe that an adverse outcome is unlikely at this stage and that the Company has an arguable case on merits.
9	CP No. 648 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	March 10, 2022	Supreme Court of Pakistan	2021-22	Amount of liability cannot be estimated	PENDING	The matter is at a stage of preliminary hearing and notices to the respondents are yet to be issued by the Court.	In our opinion, the Company has a good case on merits and are likely to be decreed/decided in its favour and as such no loss is likely to arise therefrom.
10	Suit No. 183 of 2015	Novartis AG Vs. The Searle Company Limited	February 3, 2015	High Court of Sindh - Karachi	2014-15	Amount of liability cannot be estimated	PENDING	Last hearing date was 07.03.2022 and the next hearing date is 22.08.2022.	Case is likely to be decided in favour of the Company.
11	Suit No. 348 of 2014	Bayer Intellectual Property GmbH & Another Vs. The Searle Company Limited & IBL	N/A	Additional District Judge - Lahore	N/A	Amount of liability cannot be estimated	PENDING	Last hearing was on 10.6.2022. Next hearing is on 30.07.2022	Case is likely to be decided in favour of the Company.
12	Suit No. 2442 of 2014	The Searle Company Limited & Another Vs. Bayer Intellectual Property	December 10, 2014	High Court of Sindh - Karachi	2014-15	Amount of liability cannot be estimated	PENDING	Last hearing was on 23.05.2022 Next hearing is on 31.10.2022.	Case is likely to be decided in favour of the Company.

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
		GmbH & Another							
13	JM of 69 of 2014	The Searle Company Limited & Another Vs. The Controller of Patents & Ors (incl. Bayer Intellectual Property GmbH & Another)	December 13, 2014	High Court of Sindh - Karachi	2014-15	Amount of liability cannot be estimated	PENDING	Last hearing was on 23.05.2022 Next hearing is on 31.10.2022.	Case is likely to be decided in favour of the Company.
14	JM of 70 of 2014		December 13, 2014	High Court of Sindh - Karachi	2014-15	Amount of liability cannot be estimated	PENDING	Last hearing was on 23.05.2022 Next hearing is on 31.10.2022.	Case is likely to be decided in favour of the Company.
15	JM of 71 of 2014		December 13, 2014	High Court of Sindh - Karachi	2014-15	Amount of liability cannot be estimated	PENDING	Last hearing was on 23.05.2022 Next hearing is on 31.10.2022.	Case is likely to be decided in favour of the Company.
16	CP No. 2505 of 2017	The Searle Company Limited Vs. Drug Regulatory Authority of Pakistan (DRAP)	April 22, 2017	High Court of Sindh - Karachi	2016-17	Amount of liability cannot be estimated	PENDING	Pending.	Company has good arguable case on merit and is likely to be decided in its favour and as such there is no likelihood of unfavourable outcome or any potential loss on account of this case.
17	CP No. 8557 of 2017	The Searle Company Limited Vs. Drug Regulatory Authority of Pakistan (DRAP)	December 14, 2017	High Court of Sindh - Karachi	2017-18	Amount of liability cannot be estimated	PENDING	Pending.	Company has good arguable case on merit and is likely to be decided in its favour and as such there is no likelihood of unfavourable outcome or any potential loss on account of this case.
18	CP No. 4292 of 2019	The Searle Company Limited Vs. Federation of Pakistan	June 25, 2019	High Court of Sindh - Karachi	2018-19	Amount of liability cannot be estimated	PENDING	The next date of hearing is fixed for 17.08.2022	Company has good arguable case on merit and is likely to be decided in its favour and as such there is no likelihood of unfavourable outcome or any potential loss on account of this case.
19	CP No. 5469 of 2013	Pakistan Pharmaceutical Manufacturers' Association (PPMA) & Ors (incl. TSCL) Vs. Drug Regulatory Authority of Pakistan (DRAP) & Ors	December 23, 2013	High Court of Sindh - Karachi	2013-14	Amount of liability cannot be estimated	PENDING	The case is pending adjudication in the High Court of Sindh.	Company has good arguable case on merit and is likely to be decided in its favour and as such there is no likelihood of unfavourable outcome or any potential loss on account of this case.

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
20	Suit No. 1888 of 2021	The Searle Company Limited Vs. Federation of Pakistan & Ors	N/A	High Court of Sindh - Karachi	N/A	Amount of liability cannot be estimated	PENDING	The next date of hearing is fixed for 03.10.2022	Company has good arguable case on merit and is likely to be decided in its favour and as such there is no likelihood of unfavourable outcome or any potential loss on account of this case.
21	CP No. D-3011 of 2018	The Searle Company Limited Vs. Province of Sindh & Ors	April 14, 2018	High Court of Sindh - Karachi	2017-18	Amount of liability cannot be estimated	PENDING	The matter is pending before the Hon'able High Court at Karachi. The management of the Company believes the outcome will be in favor of the Company	The matter is pending before the Hon'able High Court at Karachi. The management of the Company believes the outcome will be in favor of the Company
22	WP No. 258485 of 2018	Nutrico Pakistan (Pvt) Limited, etc (incl. The Searle Company Limited) Vs. Province of Punjab	N/A	High Court of Punjab - Lahore	N/A	Amount of liability cannot be estimated	PENDING	The matter is pending adjudication. Keeping in view the provisions of the Constitution, the Law as well as Judicial Precedents-we consider the chances of the Writ Petition being allowed to be reasonable.	Keeping in view the provisions of the Constitution, the Law as well as Judicial Precedents-we consider the chances of the Writ Petition being allowed to be reasonable.
23	CP No. 7 (04) of 2022-K	Bashir Ahmed & Ors Vs. Searle Pakistan Limited	N/A	National Industrial Relations Commission	N/A	Amount of liability cannot be estimated	PENDING	The matter is fixed for reply to application as well as hearing on application.	According to Legal Counsel Shahid Anwer Bajwa & Co., the Company has a good case and defence and is contesting proceedings diligently. Therefore the management of the Company believes the outcome will be in favor of the Company
24	Comp. No. BI-L-1 of 2016	The State Vs. The Searle Company Limited	N/A	Drug Courts - Quetta	N/A	Amount of liability cannot be estimated	PENDING	The complaint is pending adjudication before the Chairman Durg Courts, Quetta. The case is fixed for prosecution evidence.	No estimate of any liability can be given at this stage. This case will be decided in favor of the Company.
25	No. 20 of 2020	The State Vs. The Searle Company Limited	N/A	Drug Courts - Peshawar / Quetta	N/A	Amount of liability cannot be estimated	PENDING	The complaint is pending adjudication before the Chairman Durg Courts, Quetta. The case is fixed for prosecution evidence.	No estimate of any liability can be given at this stage. This case will be decided in favor of the Company.
26	WP No. 37270 of 2020	The Searle Company Limited Vs. Province of Punjab	N/A	High Court of Punjab - Lahore	N/A	Amount of liability cannot be estimated	PENDING	This WP is pending adjudication before the Honourable Lahore High Court.	No estimate of liability can be given at this state. In Firm's opinion this case will be decided in favour of the Company.
27	Suit No. 588 of 2022	The Searle Company Limited Vs. Federation	N/A	High Court of Sindh - Karachi	N/A	Amount of liability cannot be estimated	PENDING	The suit is presently pending before the Honourable Sindh High Court, Karachi.	At present there are no declared losses or liabilities arising on part of the

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
		of Pakistan & Ors							Company in the abovementioned cases, to the best of our knowledge.
28	Suit No. 589 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	N/A	High Court of Sindh - Karachi	N/A	Amount of liability cannot be estimated	PENDING	The suit is presently pending before the Honourable Sindh High Court, Karachi.	At present there are no declared losses or liabilities arising on part of the Company in the abovementioned cases, to the best of our knowledge.
29	Suit No. 1846 of 2022	The Searle Company Limited Vs. Product Quality Control Board, Lahore	N/A	High Court of Sindh - Karachi	N/A	Amount of liability cannot be estimated	PENDING	The suit is presently pending before the Honourable Sindh High Court, Karachi.	At present there are no declared losses or liabilities arising on part of the Company in the abovementioned cases, to the best of our knowledge.
30	Suit No. 931 of 2017	The Searle Company Limited Vs. Federation of Pakistan & Ors	April 11, 2017	High Court of Sindh - Karachi	2016-17	Amount of liability cannot be estimated	PENDING	The matter is now pending for hearing of injunction application. Written statement and counter affidavit have been filed by SRB.	The Company has a good case on merits and a favorable outcome is expected.
31	Suit No. 1114 of 2017	The Searle Company Limited Vs. Federation of Pakistan & Ors	April 28, 2017	High Court of Sindh - Karachi	2016-17	Amount of liability cannot be estimated	PENDING	The matter is now pending for hearing of injunction application.	The Company has a good case on merits and a favorable outcome is expected.
32	Suit No. 1610 of 2017	The Searle Company Limited Vs. Federation of Pakistan & Ors	June 22, 2017	High Court of Sindh - Karachi	2016-17	Amount of liability cannot be estimated	PENDING	The matter is now pending for hearing of injunction application.	The Company has a good case on merits and a favorable outcome is expected. In the unlikely event that the matter is decided against the Company, it will be open to the Company to challenge the decision in appeal.
33	Suit No. 1623 of 2017	The Searle Company Limited Vs. Federation of Pakistan & Ors	June 23, 2017	High Court of Sindh - Karachi	2016-17	Amount of liability cannot be estimated	PENDING	The matter is now pending for hearing of injunction application.	The Company has a good case on merits and a favorable outcome is expected.
34	ITRA No. 282 of 2017	Commissioner Inland Revenue (CIR) Vs. The Searle Company Limited	August 23, 2017	High Court of Sindh - Karachi	2017-18	Amount of liability cannot be estimated	PENDING	Pending for hearing for the main case.	It appears that the department has made this reference on questions of law and their questions do not touch the merits of the assessment order. The Company has a good arguable case on the points of law raised before the Court.

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
35	Suit No. 212 of 2018	The Searle Company Limited Vs. Province of Sindh & Ors	January 29, 2018	High Court of Sindh - Karachi	2017-18	Amount of liability cannot be estimated	PENDING	The matter is pending for hearing of injunction application.	The Company has a good case on merits and a favorable outcome is expected. In the unlikely event that the matter is decided against the Company, it will be open to the Company to challenge the decision in appeal.
36	CP No. D-2578 of 2019	The Searle Company Limited Vs. Federation of Pakistan & Ors	April 16, 2019	High Court of Sindh - Karachi	2018-19	Amount of liability cannot be estimated	PENDING	Pending for hearing of injunction application.	The Company has a good case on merits and a favorable outcome is expected
37	ITRA No. 48 of 2014	Commissioner Inland Revenue (CIR) Vs. The Searle Company Limited	April 9, 2014	High Court of Sindh - Karachi	2013-14	Amount of liability cannot be estimated	PENDING	Pending for hearing of the main case.	It appears that the department has made this reference on questions of law and their questions do not touch the merits of the assessment order. The Company has a good arguable case on the points of law raised before the Court.
38	CP No. D-6484 of 2018	The Searle Company Limited Vs. Federation of Pakistan & Ors	September 11, 2018	High Court of Sindh - Karachi	2018-19	Amount of liability cannot be estimated	PENDING	Pending for hearing of injunction application.	The Company has a good case on merits and a favourable outcome is expected. In the unlikely event that the matter is decided against the Company, it will be open to the Company to challenge the decision in appeal.
39	CP No. D-8337 of 2019	The Searle Company Limited Vs. Federation of Pakistan & Ors	December 21, 2019	High Court of Sindh - Karachi	2019-20	Amount of liability cannot be estimated	PENDING	Pending for hearing of injunction application.	The Company has a good case on merits and a favourable outcome is expected. In the unlikely event that the matter is decided against the Company, it will be open to the Company to challenge the decision in appeal.
40	CP No. D-8338 of 2019	The Searle Company Limited Vs. Federation of Pakistan & Ors	December 21, 2019	High Court of Sindh - Karachi	2019-20	Amount of liability cannot be estimated	PENDING	Pending for hearing of injunction application.	The Company has a good case on merits and a favourable outcome is expected. In the unlikely event that the matter is decided against

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
									the Company, it will be open to the Company to challenge the decision in appeal.
41	CP No. D-1544 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	March 11, 2022	High Court of Sindh - Karachi	2021-22	Amount of liability cannot be estimated	PENDING	Pending.	N/A
42	CP No. D-2463 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	April 19, 2022	High Court of Sindh - Karachi	2021-22	Amount of liability cannot be estimated	PENDING	Pending.	N/A
43	CP No. D-4191 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	July 5, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending.	N/A
44	CP No. D-505 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	January 27, 2022	High Court of Sindh - Karachi	2021-22	Amount of liability cannot be estimated	PENDING	Pending.	N/A
45	CP No. D-506 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	January 27, 2022	High Court of Sindh - Karachi	2021-22	Amount of liability cannot be estimated	PENDING	Pending.	N/A
46	CP No. D-6895 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors (Incl. Searle Pakistan Limited)	November 7, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending.	N/A
47	CP No. D-6896 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors (Incl. Searle Biosciences Private Limited)	November 7, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending.	N/A
48	CP No. D-6897 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors (Incl. IBL Healthcare Private Limited)	November 7, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending.	N/A
49	CP No. D-4752 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	August 15, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending.	The Company has a good case on merits and a favourable outcome is expected. In the unlikely event that the matter is decided against

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
									the Company, it will be open to the Company to challenge the decision in appeal.
50	CP No. 4537 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	August 1, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending.	N/A
51	CP No. 4888 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	August 23, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending.	N/A
52	CP No. 4322 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors	July 21, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending.	N/A
53	CP No. 5087 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors (Incl. K Electric)	September 1, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending.	N/A
54	CP No. 5088 of 2022	The Searle Company Limited Vs. Federation of Pakistan & Ors (Incl. K Electric)	September 1, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending.	N/A
55	Suit No. 1026 of 2022	The Searle Company Limited Vs. Federation of Pakistan	July 7, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending for hearing of main application.	The Company has a good case on merits and a favourable outcome is expected. In the unlikely event that the matter is decided against the Company, it will be open to the Company to challenge the decision in appeal.
56	CP No. 5668 of 2022	The Searle Company Limited Vs. Federation of Pakistan	September 26, 2022	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending for hearing of main application.	The Company has a good case on merits and a favourable outcome is expected. In the unlikely event that the matter is decided against the Company, it will be open to the Company to challenge the decision in appeal.
57	ITRA No. 129 of 2023	The Searle Company Limited Vs.	March 4, 2023	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	February 24, 2023	N/A

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
		Federation of Pakistan							
58	ITRA No. 130 of 2023	The Searle Company Limited Vs. Federation of Pakistan	March 4, 2023	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	February 24, 2023	N/A
59	Suit No. 7 (03) of 2023	Shaukat Ali Vs. The Searle Company Limited	N/A	National Industrial Relations Commission	N/A	Amount of liability cannot be estimated	PENDING	Pending.	N/A
60	CP No. 2062 of 2023	The Searle Company Limited Vs. Federation of Pakistan	April 20, 2023	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending for hearing of main application.	The Company has a good case on merits and a favourable outcome is expected. In the unlikely event that the matter is decided against the Company, it will be open to the Company to challenge the decision in appeal.
61	CP No. 2063 of 2023	The Searle Company Limited Vs. Federation of Pakistan	April 20, 2023	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending for hearing of main application.	The Company has a good case on merits and a favourable outcome is expected. In the unlikely event that the matter is decided against the Company, it will be open to the Company to challenge the decision in appeal.
62	CP No. 2064 of 2023	The Searle Company Limited Vs. Federation of Pakistan	April 20, 2023	High Court of Sindh - Karachi	2022-23	Amount of liability cannot be estimated	PENDING	Pending for hearing of main application.	The Company has a good case on merits and a favourable outcome is expected. In the unlikely event that the matter is decided against the Company, it will be open to the Company to challenge the decision in appeal.

Among the above pending cases, the cumulative expected liability in the cases whereby the Company has challenged the withdrawal of exemption on intercorporate dividend is PKR 1,171.16 Mn.

6.2. ACTION TAKEN BY THE SECURITIES EXCHANGE AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NONCOMPLIANCE OF THE ITS REGULATIONS






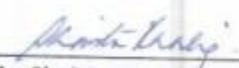
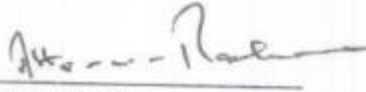


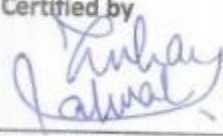
None

6.3. ANY OUTSTANDING LEGAL PROCEEDING OTHER THAN THE NORMAL COURSE OF BUSINESS INVOLVING THE ISSUER, ITS SPONSORS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND ASSOCIATED COMPANIES, OVER WHICH THE ISSUER HAS CONTROL, THAT COULD HAVE MATERIAL IMPACT ON THE ISSUE

None

7 SIGNATORIES TO THE OFFER DOCUMENT

SIGNATORIES TO THE OFFER DOCUMENT

 _____ Mr. Adnan Asdar Ali Chairman	 _____ Mr. Syed Nadeem Ahmed Chief Executive Officer
 _____ Mr. Zubair Razzak Palwala Director	 _____ Mr. Mufti Zia Ul Islam Non-Executive Director
 _____ Mr. Munis Abdullah Non-Executive Director	 _____ Ms. Shaista Khaliq Rehman Independent Director
 _____ Dr. Atta Ur Rehman Independent Director	
Signed by the above in the presence of witnesses	
 _____ Name: Sajid Hussain	 _____ Name: Mudassir Habib Khan
Certified by  _____ Zubair Razzak Palwala Company Secretary	
Dated: <u>10-08-2023</u>	

ANNEXURE A

**Extract of the Resolutions passed by the Board of Directors of
The Searle Company Limited (the “Company”) at its meeting held on Thursday, May 25, 2023
at 3rd Floor, One IBL Centre, Shahrah-e-Faisal, Karachi (and through videoconferencing).**

A meeting of the Board of Directors of the Company was held at 12:00 p.m. on Thursday, May 25, 2023 at 3rd Floor, One IBL Centre, Shahrah-e-Faisal, Karachi (including through videoconferencing).

During the meeting, the Board of Directors of the Company discussed and approved the proposed issuance of further share capital by the Company by way of right issue. The Board of Directors of the Company stated that all requirements of the Companies Act, 2017 (the “**Companies Act**”) and the Companies (Further Issue of Shares) Regulations, 2020 (the “**Regulations**”) have been considered by the Board of Directors of the Company and shall be duly complied with by the Company.

For the purposes of the right issue, the management has received confirmations from the substantial shareholder and all the directors of the Company that they will (i) subscribe to the right shares offered to them (or shall arrange for the subscription thereof) at least 3 (three) working days before the commencement of trading; and (ii) ensure that the balance of the right issue i.e. other than the portion subscribed by the substantial shareholder and directors, will be adequately underwritten in accordance with applicable laws. The substantial shareholder and directors of the Company shall issue the requisite undertakings in such respect.

Accordingly, the following resolutions were passed by the Board of Directors:

RESOLVED THAT the ordinary paid up share capital of the Company be increased from PKR 3,900,658,530/- (Pak Rupees Three Billion Nine Hundred Million Six Hundred Fifty Eight Thousand Five Hundred Thirty) to PKR 5,114,944,240/- (Pak Rupees Five Billion One Hundred Fourteen Million Nine Hundred Forty Four Thousand Two Hundred Forty) by issue of a further 121,428,571 (One Hundred Twenty One Million Four Hundred Twenty Eight Thousand Five Hundred Seventy One) ordinary shares of the Company of PKR 10/- (Pak Rupees Ten) each, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act and all applicable laws, at a price of PKR 35/- (Pak Rupees Thirty Five) per share (i.e. inclusive of a premium of PKR 25/- (Pak Rupees Twenty Five) per share), in the ratio of approximately 31.1302746 right shares for every 100 ordinary shares of PKR 10/- (Pak Rupees Ten) each held immediately prior to the book closure date (i.e. 31.1302746%), against payment to the Company of the price for the shares subscribed, which shares shall rank *pari passu* in all respects with the existing ordinary shares of the Company (the “**Right Issue**”).

FURTHER RESOLVED THAT the following are the quantum, size, price and purpose of the Right Issue, along with the utilization of proceeds, benefits of the same to the Company and its shareholders, the risk factors associated with the Right Issue, the justification for the issue of shares at a premium, and the minimum subscription amount, in accordance with Regulation 3(1)(iii) of the Regulations:

(a) Quantum of the Right Issue (i.e. as a percentage of existing paid-up capital)

The quantum of the Right Issue is approximately 31.1302746% of the existing paid-up capital of the Company i.e. approximately 31.302746; right shares for every 100 ordinary shares held

by the shareholders of the Company immediately prior to the close of the share transfer books of the Company.

(b) Right Issue Size

The Company shall issue 121,428,571 (One Hundred Twenty One Million Four Hundred Twenty Eight Thousand Five Hundred Seventy One) ordinary shares, at a price of PKR 35/- (Pak Rupees Thirty Five) per share, aggregating to PKR 4,249,999,985/- (Pak Rupees Four Billion Two Hundred Forty Nine Million Nine Hundred Ninety Nine Thousand Nine Hundred Eighty Five).

(c) Right Issue Price

PKR 35/- (Pak Rupees Thirty Five) per share (i.e. inclusive of a premium of PKR 25/- (Pak Rupees Twenty Five) per share).

(d) Purpose of the Right Issue

The purpose of the Right Issue is to expand the Company's portfolio by enabling it to invest in, by acquiring shares of, an associated company i.e. Searle IV Solutions (Private) Limited (subject to obtaining necessary corporate approvals), as well as to reduce current debt levels and favourably improve its capital structure by reducing leverage in an increasing interest rate environment, and, consequentially, improve the Company's profitability and financial ratios which is expected to increase shareholder return.

(e) Utilization of Proceeds of the Right Issue

The proceeds from the Right Issue will be utilized towards funding the acquisition cost of 100% (one hundred percent) shareholding of the Company's associated company i.e. Searle IV Solutions (Private) Limited (subject to obtaining necessary approvals), including repaying any financing availed for such acquisition. Additionally, proceeds from the Right Issue will be utilized to reduce / repay a certain portion of the Company's current borrowings.

(f) Benefits to the Company and Shareholders

The subscription amount from the Right Issue which is intended to be utilized for the acquisition of Searle IV Solutions (Private) Limited will enable the Company to expand its portfolio / business by entering into the field of IV solutions, thus augmenting its existing operations and activities. Furthermore, with respect to the funds to be utilized for reducing a certain portion of the Company's current debt, considering the existing environment where interest rates have significantly increased, lesser amounts shall be utilized toward debt and mark-up servicing, which will also enable the Company to maintain a better level of debt and potentially utilize funds for other purposes, including distribution. Subject to adverse impacts which may arise due to a decline in the economic situation and / or other factors beyond the reasonable control of the Company, the above is expected to improve the Company's credentials, generate additional revenue and result in enhanced overall profitability of the Company; which in consequence would benefit the shareholders.

(g) Risk Factors associated with the Right Issue, if any

The Right Issue of the Company is being carried out at a price which is less than the current share price in the market and hence there is no major investment risk associated with the Right Issue. The substantial shareholder and directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue will be underwritten in accordance with the applicable laws. Normal risks associated with the business will remain; however, the Company believes that it is well placed in the market with a proven track record, which will help to mitigate such risk factors.

(h) Justification for Issue of Shares at Premium

The Right Issue is being carried out at a premium. Considering the current market price of the Company, the premium charged over the par value is justified and is in line with market practice, in fact the same constitutes a 34.14% discount on the last 3 months average trading share price.

(i) Minimum Subscription Amount

None.

FURTHER RESOLVED THAT the letter of offer, as prescribed under Section 83(2) of the Companies Act, shall be issued / signed by any 2 directors of the Company in compliance with the applicable laws.

FURTHER RESOLVED THAT that Mr. S. Nadeem Ahmed – Chief Executive Officer and Mr. Zubair Razzak Palwala - Director, be and are hereby authorized by all the directors of the Company, to sign the circular accompanying the letter of offer, once finalized in accordance with the procedure stipulated under the Regulations.

FURTHER RESOLVED THAT all fractional entitlements, if any, will be consolidated in the name of the Company Secretary (under trust), and unpaid letters of right in respect thereof shall be sold on the Pakistan Stock Exchange Limited (“PSX”), the net proceeds from which sale, once realized, shall be distributed / paid to the entitled shareholders in proportion to their respective entitlements as per the Regulations.

FURTHER RESOLVED THAT any unsubscribed shares may be offered and allotted (upon subscription) to such persons as the directors may deem fit in accordance with Section 83(1)(a)(iv) of the Companies Act, including the sponsors / substantial shareholders, directors or associated undertakings of the Company or any third party, before calling upon the underwriters to subscribe to any unsubscribed shares.

FURTHER RESOLVED THAT the Chief Executive and / or Company Secretary and / or the Chief Financial Officer, be and are hereby severally authorized to prepare finalize the draft offer document / letter and share it with the Securities and Exchange Commission of Pakistan (“SECP”) and PSX, and revise the same based on the observations and changes of the SECP and PSX as may be deemed fit by them, in the manner prescribed under the Regulations, along with preparing and submitting other necessary documents in this respect. While the draft offer letter shall be placed on the PSX, public comments on the same shall not be required to be solicited.

FURTHER RESOLVED THAT the Chief Executive and / or Company Secretary and / or the Chief Financial Officer, be and are hereby severally authorized, such that any one of them may do all or any of the following for and on behalf, and in the name, of the Company:

- (i) appoint / negotiate with consultants / advisors / auditors and underwriter(s) to the Right Issue, to finalize terms and conditions and sign underwriting agreements(s), other documents and settle / finalize fees, underwriting commission, take up commission and third party expenses and / or any other expenses relating to the Right Issue;
- (ii) to prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce (and amend) book closure dates, and to take all necessary actions, in respect of the Right Issue and ancillary matters thereto, as required by the SECP, PSX, Central Depository Company of Pakistan Limited (“**CDC**”) (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC) or any other authority / body;
- (iii) to decide and announce the closure of the share transfer books of the Company, including the dates thereof, to determine entitlements of the shareholders of the Company with respect to the Right Issue;
- (iv) to open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of rights shares;
- (v) to credit right shares, once allotted by the Board, and file returns / documents as required by SECP / PSX / CDC along with the auditor's certificates; and
- (vi) to take all other necessary steps, and do all other acts, deeds and things, to prepare / finalize the offer letter / document, circular and schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions.

Certified that the above mentioned is a true and valid extract from the meeting of the Board of Directors of The Searle Company Limited held at 3rd Floor, One IBL Centre, Shahrah-e-Faisal, Karachi (and through videoconferencing) on May 25, 2023.

Company Secretary
May 25, 2023

**Statement in Fulfilment of Requirements Contained Under Regulation 3(3)(vi) Of
The Companies (Further Issue of Shares) Regulations, 2020**

In relation to Comments Received from
Securities & Exchange Commission of Pakistan
Vide its Letter Dated July 31, 2023

On the Draft Circular under Section 83(1) of the Companies Act, 2017
And the Changes made to the Circular Based on the Given Comments

Sr. No	Name of the Person	Comment Received	Whether the Company agree / disagree to the comment	Proposed change, if agreed	Rationale
1.		Cover Page			
a)	Securities & Exchange Commission of Pakistan	Details with respect to underwriters to be added in the table	Agreed	Added	Finalized list of underwriters has been added
b)		Details regarding Bankers to the Issue to be added in the table	Agreed	Added	Details have been inserted
c)		Date of Book Closure to be added in the final document	Agreed	From August 21, 2023 to August 25, 2023	Added
d)		Clearly indicate that public comments are not being sought	Agreed	Public comments are not being sought	Inserted
2.		Inside Cover Page			
a)		Undertaking to be signed by the respective signatories in the final document	Agreed	Signed undertaking has been added	Inserted
3.		Undertaking by the Board of Directors	Agreed	Signed undertaking has been added	Inserted
a)		Clause vi of the undertaking may be deleted as public comments are not being obtained	Agreed	See Clause vi of undertaking by the Board of Directors	Detail omitted
4.		Glossary of Technical terms			
a)		Repetition of definition of "SECP" to be deleted	Agreed	See Glossary of Technical Terms	Detail omitted
5.		Salient features of the rights issue:			
a)		Following disclosures are required in section 1.1 (i)(d) relating to 'Time of completion'			

Sr. No	Name of the Person	Comment Received	Whether the Company agree / disagree to the comment	Proposed change, if agreed	Rationale
		Approvals required from any regulatory authority/shareholders etc. and status of these approvals	Agreed	Approval will be required from TSCL shareholders under Section 199 of the Companies Act, 2017. Status: The shareholders of the Company have accorded their approval for acquisition of Searle IV in extraordinary general meeting of the Company held on Wednesday July 26, 2023.	Relevant details added
		The 'conditions precedent' as referred in this section may be added	Agreed	Reference to the relevant section has been provided	Condition precedent are already present in section 1.2(a) of this document
b)		Section 1.1 (i)(e) Para 3 needs to be elaborated with respect to indirect impact of acquisition of Searle IV on the production capacity of the company.	Agreed	Searle IV's line of business is different from TSCL. Accordingly, the production capacity as a whole will increase through this acquisition.	Details Added
c)		In table given at beginning of section 1.2, in third row, replace 'Repayment of Debt' with 'Repayment of Debt of the Company'	Agreed	See section 1.2 'Principal purpose of the Issue and Funding Arrangements'	Inserted
d)		In section 1.2(a) following additional information may be disclosed			
		Business operations and financial highlights of Searle IV for the last three years, i.e. FY 2022, FY 2021, and FY 2020	Agreed	Added financial highlights for last three years in section 1.2(a)	Relevant details added

Sr. No	Name of the Person	Comment Received	Whether the Company agree / disagree to the comment	Proposed change, if agreed	Rationale
		Purchase price per share and breakup value per share of Searle IV	Agreed	Purchase price is the same as offer price. Breakup value per share has been added. Purchase price per share has been added in 'Acquisition of Searle IV Solutions' of section 1.2(a)	The requested details have been inserted
		Offer price per share of Searle IV as per the valuation report along with number of shares to be acquired by the company from IBL Operation (Pvt) Ltd (IBL Ops)	Agreed	The Company will be purchasing 100% shares (5,400,000 shares) of Searle IV through IBL Ops at a purchase price of PKR 648.12 per share.	The requested details have been inserted
		Relative price measures of Searle IV including Price to Book Value, Price to Earnings (P/E), and Price to Sales (P/S) of Searle IV	Agreed	Relative price measures based on results of 30 June, 2022: - (P/B) - 5.5x - (P/E) - 246.6x - (P/S) - 6.4x	Relevant price measures inserted
		Regarding 'Plant and Machinery' purchased in year 2022 by Searle IV: - It is new or used - It is imported or locally purchased - It's expected impact on revenue and profit of Searle IV	Agreed	In FY 2022, Searle IV locally purchased new plant & machinery to increase production of Vial Section. This addition is expected to result in increased revenue and profit for Searle IV. Further, this will eventually benefit TSCL after the acquisition.	Relevant details added
		[xxx]% of sponsor shareholders of the company own [xxx]% of Searle IV	Agreed	Searle IV is 100% owned by IBL Operations (Private) Limited and IBL Operations is 100% owned by International Brands Limited.	The requested details have been inserted

Sr. No	Name of the Person	Comment Received	Whether the Company agree / disagree to the comment	Proposed change, if agreed	Rationale
		Key assumptions used in the Valuation of Searle IV by valuator	Agreed	Assumptions have been added in section 1.2(a)	Relevant details added
		Under the heading of 'share purchase agreement', the following line of para 3 may be deleted: "any one or more of which may be waived by the parties to the extent permissible under the applicable laws"	Agreed	See 'Share Purchase Agreement' in section 1.2(a)	Detail omitted
		In the section pertaining to 'IBL Operation (Pvt) Limited', provide explanation regarding the term net worth and also mention the date as at which the financial position is provided.	Agreed	The term net worth means "total assets minus total liabilities" and it has been described in section 'Glossary of Technical terms'. and the date at which the financial position is provided is 30 June, 2022	Relevant Details added
		In the section pertaining to 'Pre and Post Expansion Capacity of the Searle' clearly mention the existing capacity of the Company and the cumulative impact on production/capacity in figure and percentage terms that will be added as a result of acquisition of Searle IV	Agreed	Pre and Post Expansion Capacity has been mentioned for the Company.	Relevant Details added
e)		In section 1.2(b) disclosure regarding loan being pledged against any asset may be added in compliance with clause 7(ii)(B)(f) of Schedule I of the Regulations	Agreed	Security: Charge over current assets of the Company. See the table included in section 1.2(b) 'Repayment of existing debt of the Company'	Relevant Details added
f)		In section 1.3, foot note 7, relevant details in "1.2T" should be added in line with the point vii above	Agreed	Searle IV's line of business is different from TSCL. Accordingly, the production capacity as a whole will increase through this acquisition	Relevant details added

Sr. No	Name of the Person	Comment Received	Whether the Company agree / disagree to the comment	Proposed change, if agreed	Rationale
g)		In section 1.3, add source or basis of ranking with respect to market share.	Agreed	As per IMS, which has also been defined in the Glossary of Technical Terms	Inserted
h)		Banker's commission and Bankers to the Issue – Out of Pocket to be disclosed in section 1.4	Agreed	Added	Details have been added
i)		Add details of underwriters in section 1.5	Agreed	See Section 1.5 "Details of Underwriters"	Inserted
j)		In para 1.8, Important dates to be added prior to final publication	Agreed	Added	Details have been added
6.		Subscription Amount Payment Procedure			
a)		Dates in Section 2(e) and 2(f) to be added in the final document	Agreed	Added	Details have been added
7.		Profiles of the Board of Directors of the Company and Sponsors			
a)		Mention the current tenure of all directors as required under clause 9 of Schedule I of the Regulations	Agreed	Current tenure has been added. Please see Section 3 "Profiles of the Board of Directors of the Company"	Relevant details added
8.		Financial Details of the Issuer			
a)		Average market price of six months to be provided in section 4.4 in accordance with clause 10(iv) of Schedule 1	Agreed	Average market price of the share of the Company during the last six months (from February 01, 2023 – August 04, 2023) is PKR 49.42 per share.	Relevant changes made
b)		In section 4.5, typo "TCSL" may be corrected	Agreed	"TCSL" has been corrected to "TSCL"	Typo corrected
c)		In section 4.2, names of the companies for which consolidated financial statements are prepared to be added	Agreed	The consolidated financial statements include IBL HealthCare Limited, Searle Pakistan Limited, Searle Biosciences (Private) Limited, IBL Future Technologies (Private) Limited, Searle Laboratories	The requested details have been inserted

Sr. No	Name of the Person	Comment Received	Whether the Company agree / disagree to the comment	Proposed change, if agreed	Rationale
				(Private) Limited and Searle Pharmaceuticals (Private) Limited	
9.		Risk Factors			
a)		Most of the risk factors disclosed are generic in nature and need to be modified to make the same specific to the Company	Agreed	Risk factors have been modified to make it specific to the Company	Relevant changes have been made
b)		Section 5.2 may be amended to disclose all risk requirements as per clause 11 (v) of Schedule I of the regulations	Agreed	See section 5.2(3) "Additional Risk Factors"	Relevant details inserted
c)		The risk emanating from operational and financial position of Searle IV may be disclosed	Agreed	See section 5.2(3) "Additional Risk Factors)	Relevant details inserted
d)		In Liquidity risk, disclose latest outstanding financial obligation of the Company, ability of the company to honor the obligation and effect on performance of the company if obligations are not met	Agreed	The Company's outstanding financial obligations as at 31 st March, 2023 are PKR 23,176 Mn out of which PKR 17,039 Mn pertains to debt obligations and PKR 6,137 Mn pertain to trade creditors. The Company has sufficient current assets to meet its current liabilities and trade creditors.	Relevant details added
e)		In credit risk, details of advances or other receivables, if any that have defaulted in past three years to be added. Also specify how they can impact performance of the company	Agreed	No default has occurred on account of these advances or other receivables.	The requested details have been inserted
f)		Net financial liability in case the outcome is not in favor should also be mentioned in the "Pending Litigation" section	Agreed	The net financial liability from the legal proceedings in case of unfavourable outcome is PKR 426.77 Mn and among the pending cases, the cumulative	Relevant details added

Sr. No	Name of the Person	Comment Received	Whether the Company agree / disagree to the comment	Proposed change, if agreed	Rationale
				expected liability in the cases whereby the Company has challenged the withdrawal of exemption on intercorporate dividend is PKR 1,171.16 Mn.	
g)		In interest risk, elaborate the risk that could arise due to interest rate fluctuations.	Agreed	When interest rates are high, borrowing costs increase, making it more expensive for the Company to finance its operations. This can lead to reduced business spending, lower economic growth, and decreased profitability. It also discourages business investment as financing new projects becomes more expensive. An increase in interest rate will increase the overall finance cost of the Company which may result in lower profits.	The requested details have been inserted
h)		In the Foreign exchange risk, also mention the impact of foreign exchange volatility on the company	Agreed	The devaluation of exchange rates negatively impacts the margins of the Company as imported raw materials and finished products become more expensive.	The requested details have been inserted
i)		In regulatory risk, specific regulatory risk that may affect the acquisition of Searle IV, be added	N/A	N/A	N/A

Sr. No	Name of the Person	Comment Received	Whether the Company agree / disagree to the comment	Proposed change, if agreed	Rationale
10.		Outstanding Legal Proceedings of the Company			
a)		In section 6.1, brief description of each case should be added along with best estimate of liability in case of unfavorable decision	Agreed	Details have been added. Estimated liability is PKR 426.77 Mn and among the pending cases, the cumulative expected liability in the cases whereby the Company has challenged the withdrawal of exemption on intercorporate dividend is PKR 1,171.16 Mn.	Liability amount has been inserted where estimate was possible. While for others, liability could not be estimated.
b)		Management stance in case 1 of Section 6 be made clearer	Agreed	Management stance has been made clearer	Relevant details inserted