



Redco Textiles Limited

October 28, 2021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir,

Subject: **Certified Copy of Resolutions Passed in Annual General Meeting**

We enclose herewith certified copies of the resolutions duly adopted in Annual General Meeting of the Company held on October 28, 2021 at 09:00 A.M at its registered office at Redco Arcade, 78-E, Blue Area, Islamabad.

The above is submitted for compliance of Regulation 5.6.9 (b) of the PSX Rule Book.

Thanking you.

Yours sincerely,

MUHAMMAD KASHIF
Company Secretary



Encl: As Above



Redco Textiles Limited

CERTIFIED COPY OF THE RESOLUTIONS PASSED AND ADOPTED IN ANNUAL GENERAL MEETING OF THE COMPANY HELD ON OCTOBER 28, 2021

A. Ordinary Business:

“**Resolved that** the minutes of 29th Annual General Meeting of the Company held on October 28, 2020 having been read, be and are hereby confirmed and approved by the members.”

“**Further Resolved that** audited financial statements of Redco Textiles Limited together with the Directors’ and Auditors’ Report thereon for the year ended June 30, 2021 be and hereby approved and adopted.”

“**Further Resolved that** M/s Mushtaq & Co., Chartered Accountants, be and hereby eligible and reappointed as Auditors of the Company for the year ending 30th June 2022 on remuneration of Rs. 697,000.”

B. Special Business:

“**Resolved that:**

- (i) the authorized share capital of the Company be increased from Rs.500,000,000 (Rupees five hundred million) divided into 50,000,000 (fifty million) ordinary shares of Rs.10/- (Rupees ten) each to Rs.800,000,000 (Rupees eight hundred million) divided into 80,000,000 (eighty million) ordinary shares of Rs.10/- (Rupees ten) each.
- (ii) the figures and words “Rs.500,000,000 (Rupees five hundred million) divided into 50,000,000 (fifty million) ordinary shares of Rs.10/- each” appearing in Memorandum and Articles of Association of the Company be substituted by the figures and words “Rs. 800,000,000 (Rupees eight hundred million) divided into 80,000,000 (eighty million) ordinary shares of Rs.10/- each.”

“**Further Resolved that** subject to (i) amendments to the Sponsor Support Agreement between the Company and Sponsor (the “Existing Sponsor Support Agreement”); (ii) increase in authorized share capital of the Company; (iii) approval of the Securities and Exchange Commission of Pakistan under Section 83(1)(b) of the Companies Act, 2017 (“the Act”) and compliance with all applicable legal requirements; and (iv) the Sponsor


Company Secretary
Redco Textiles Ltd.



Redco Textiles Limited

exercising his right to convert his loan to the Company into equity, the allotment and issuance of 30,000,000 ordinary shares of the Company, at the rate of PKR 10/- per share, i.e., at par value, to the Sponsor, without a rights issue, which was granted by the Sponsor to the Company in the shape of Foreign Direct Investment (“FDI”), be and is hereby approved (the “Debt to Equity Conversion”). This FDI was availed by the Company for its cash flow requirement in order to purchase of new looms for enhancing its production capacity which is part of Company’s BMR plan. The Debt to Equity Conversion will ensure that the Sponsor’s investment remains in the Company which will help improve the financial position of the Company.”

“**Further Resolved that** the price per share (i.e., PKR 10/- per share) at which shares will be issued to the Sponsor, which is equal to the par value of the shares of the Company, is hereby approved and is justified on the basis that given the limited cash resources of the Company a decision has been taken by the Sponsor to retain his investment in the Company by converting his FDI of PKR 300,000,000 (Rupees three hundred million) as at June 30, 2021, into ordinary shares of the corresponding value of the Company, to be issued at par value, i.e., PKR 10/- per share. The shares will be issued without a rights issue under Section 83(1)(b) of the Companies Act, 2017 because the purpose of the issue is to convert the Sponsor’s loan into equity and, therefore, these shares will not be offered to the other shareholders of the Company.”

“**Further Resolved that** subject to (i) amendment to the existing Sponsor Support Agreement; (ii) increase in the authorized share capital of the Company; and (iii) the Sponsor exercising his right to convert his loan to the Company into equity, the Company is authorized to submit an application, under Section 83(1)(b) of the Act, to the Securities and Exchange Commission of Pakistan for the allotment of issuance of shares at par value to the Sponsor, without a rights issue, pursuant to the Debt to Equity Conversion.”

“**Further Resolved that** approval be accorded to dispose off the old machinery and to utilize the sale process for procurement of new machinery as per BMR approved by Board.”

“**Further Resolved that** the Board of Directors of the Company are authorized to approve the transactions conducted with the related parties as disclosed in the note 37 of the financial statements for the year ended 30 June 2021 be and are hereby ratified, approved and confirmed.”



Company Secretary
Redco Textiles Ltd.



Redco Textiles Limited

“**Further Resolved that** the Chief Executive / Director and the Company Secretary be and are hereby jointly and severally authorized to take any and all necessary steps and actions for implementing the above resolutions, including, without limitation, to seek any and all consents and approvals, to execute and (where required) file all necessary applications (including the application under Section 83(1)(b) of the Act), documents, statutory returns, declarations and undertakings and to appear and make representations before any regulatory or other authority, as may be necessary or conducive for and in connection with any of the foregoing matters and to sign, issue and dispatch all such documents and notices and do all such acts as may be necessary for carrying out the aforesaid purposes and giving full effect to the above resolutions.”

CERTIFIED TRUE COPY:


Company Secretary
Redco Textiles Ltd.

MUHAMMAD KASHIF

Company Secretary

Dated: October 28, 2021

Place: Islamabad