PAKISTAN STOCK EXCHANGE LIMITED

(formerly: Karachi Stock Exchange Limited)

PSX/N-1437 **N O T I C E** **March 02, 2016**

Reproduced hereunder letter received from **RESHAM TEXTILE INDUSTRIES LIMITED,** for information of all TREC Holders of the Pakistan Stock Exchange.
(Copy of the same is also available on our Website www.psx.com.pk).

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RESHAM
TEXTILE INDUSTRIES LTD.
NTN: 0711007-3

Ref: CEO-16/22807
March 1, 2016

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road,
Karachi.

Attn: Mr. Haroon Askari – Deputy Managing Director

Subject: Application for Voluntary Delisting of Resham Textile Industries Limited, 36-A Lawrence Road, Lahore

Dear Sir,

In pursuance of Board of Director's Resolution passed on February 25, 2016 at the registered office of the company, we make a formal application as required under the Rules for processing our case for delisting and purchase of 0.26% shares held by others than sponsors at a price of Rs.27.15 per share or as finally approved by the Pakistan Stock Exchange Limited/Commission for the following factors and reasons:-

a. 71.85% shares were held by the Directors and 27.89% by the other family members and close relatives and only 0.26% shares were held by other shareholders. This was due to buy back of the shares, in view of slump in the textile industry, from Underwriters, ICP Consortium and BEL and subsequent injection of equity by the Directors and Sponsors when the company was in dire need of funds. So virtually no benefit of listing accrued to the company and the Sponsors had to bear extra burden most of the time in the short history of the company.

b. Inspite of best efforts in the last two years or so the Sponsors and Directors failed to off-load any significant shares of the company to the Pakistan Stock Exchange as on account of virtually no interest by investors in the textile sector and there is no hope that it will happen in near future in view of performance of industry except big groups and the entire expenditure on remaining a listed company by small and medium sized companies is likely to accrue. Moreover, requirements of SECP and Pakistan Stock Exchange in terms of compliance are becoming increasingly difficult for small and medium size companies as most of the good manpower is not available and the best professionals go abroad or work for multinationals, big groups and banks etc. etc. where prospects are better and salaries are higher.

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c. Printing of quarterly accounts and other expenses relating to compliance are the same for big banks, groups and multinationals as for small and medium size enterprises.

d. There is increase in insecurity on account of law and order and major BMRs as also new units are not coming up in textile sector. In addition, global weather changes are affecting production and supply of main raw material and machinery costs as also continuous depreciation of Rupee, has made it very difficult for small and medium size companies to survive and every penny matters for small and medium size companies.

We submit the following documents as required under the Rules:-

A. Certified copy of the Resolution passed on 25th February 2016.
B. Application fee of Rs.250,000 vide cheque no. 76412481 dated 01.03.2016 in favour of Pakistan Stock Exchange Limited on behalf of sponsors. It is understood that it would not be debited to the accounts of the company.
C. Undertaking from the Purchase Agent M/s. Optimus Capital Management (Private) Limited valid for 60 days.
D. Consent of the Purchase Agent M/s. Optimus Capital Management (Private) Limited.
E. Only one of the sponsors, Mr. Muhammad Ali Chaudhry, purchased 32,299 shares from the open market in the preceding one year at a maximum price of Rs. 25.92 per share. The shares are held by the said sponsor.
F. Revaluation Report for intrinsic value per share is presently with Chartered Accountant/Auditor under scrutiny which will be submitted very shortly and is being pursued in right earnest.
G. Request for relaxation regarding Regulation No. 5.16.2 and No.5.15.4 for kind consideration and approval.

We hope our application will be processed earliest to minimize our ongoing expenses. We will be glad to provide any other information or documents required by the Exchange.

Thanking you,

Sincerely,

Arshad

Muhammad Arshad Saeed
Chief Executive Officer

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EXTRACT FROM MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF RESHAM TEXTILE INDUSTRIES LIMITED HELD ON 25th FEBRUARY 2016 AT 10:30 A.M AT THE REGISTERED OFFICE 36-A LAWRENCE ROAD, LAHORE.

3. TO CONSIDER AND APPROVE THE VOLUNTARY DE-LISTING OF THE COMPANY

The Directors thoroughly discussed the proposal of voluntary delisting of the company and approved it in view of the following factors and reasons:-

a. 71.85% shares were held by the Directors and 27.89% by the other family members and close relatives and only 0.26% shares were held by other shareholders. This was due to buy back of the shares, in view of slump in the textile industry, from Underwriters, ICP Consortium and BEL and subsequent injection of equity by the Directors and Sponsors when the company was in dire need of funds. So virtually no benefit of listing accrued to the company and the Sponsors had to bear extra burden most of the time in the short history of the company.

b. Inspite of best efforts in the last two years or so the Sponsors and Directors failed to off-load any significant shares of the company to the Pakistan Stock Exchange as on account of virtually no interest by investors in the textile sector and there is no hope that it will happen in near future in view of performance of industry except big groups and the entire expenditure on remaining a listed company by small and medium sized companies is likely to accrue. Moreover, requirements of SECP and Pakistan Stock Exchange in terms of compliance are becoming increasingly difficult for small and medium size companies as most of the good manpower is not available and the best professionals go abroad or work for multinationals, big groups and banks etc. etc. where prospects are better and salaries are higher.

c. Printing of quarterly accounts and other expenses relating to compliance are the same for big banks, groups and multinationals as for small and medium size enterprises.

d. There is increase in insecurity on account of law and order and major BMRs as also new units are not coming up in textile sector. In addition, global weather changes are affecting production and supply of main raw material and machinery costs as also continuous depreciation of Rupee, has made it very difficult for small and medium size companies to survive and every penny matters for small and medium size companies.

Therefore, RESOLVED that action for de-listing be taken on high priority basis and Mr. Muhammad Arshad Saeed, Chief Executive Officer and Mr. Muhammad Ali Chaudhry, CFO were authorized to complete all legal documentation and formalities in this regard for earliest delisting at a price of Rs.27.15 per share or as finally approved by the Pakistan Stock Exchange / Commission.

- sd -

Muhammad Arshad Saeed
Chairman

Certified to be true copy

Javed

Muhammad Javed
Company Secretary