

November 20, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building,
Karachi.

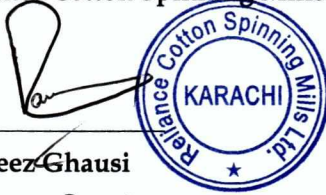
DISCLOSURE OF MATERIAL INFORMATION

Dear Sir,

In accordance with the applicable requirements of the Rule Book of Pakistan Stock Exchange Limited and the Securities Act, 2015, we are pleased to hereby convey the information that Honorable High Court of Sindh at Karachi in its order JCM No. 20 of 2024 dated November 15, 2024 has approved the Scheme of Amalgamation / Merger of Amer Cotton Mills (Pvt.) Ltd (ACML) with and into Reliance Cotton Spinning Mills Limited (RCSML) under Section 279 to 283 of the Companies Act, 2017. Certified copy of the order is enclosed herewith.

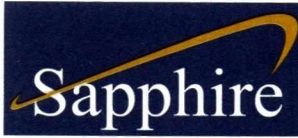
You may please inform the TREC Holders of the Exchange accordingly.

For and on behalf of
Reliance Cotton Spinning Mills Limited



Rameez Ghausi
Company Secretary

Cc:
The Executive Director/HOD
Surveillance, Supervision and Enforcement Department
Securities & Exchange Commission of Pakistan
Islamabad



ANNEXURE

RELIANCE COTTON SPINNING MILLS LIMITED DISCLOSURE FORM

Name of the Company	Reliance Cotton Spinning Mills Limited
Date of Report (date of earliest event reported if applicable)	September 26, 2024
The exact name of the Company as specified in its Memorandum	Reliance Cotton Spinning Mills Limited
Registered Address of the Company	312- Cotton Exchange Building, I.I. Chundrigar Road, Karachi,
Contact Information	Rameez Ghausi Company Secretary Reliance Cotton Spinning Mills Limited 312 Cotton Exchange Building I.I Chundrigar Road, Karachi Phones: 92-21-111-000-100 E-Mail: contact@sapphiretextiles.com.pk

Disclosure of material information by listed company

In accordance with Section 96 and Section 151 of the Securities Act, 2015 and Clause 5.6.1 of the Rule Book of Pakistan Stock Exchange Limited, we hereby convey the following information:

The Honorable High Court of Sindh at Karachi in its order JCM No. 20 of 2024 dated November 15, 2024 has approved the Scheme of Amalgamation / Merger of Amer Cotton Mills (Pvt.) Ltd (ACML) with and into Reliance Cotton Spinning Mills Limited (RCSML) under Section 279 to 283 of the Companies Act, 2017.

Yours Sincerely

For **Reliance Cotton Spinning Mills Limited**



Rameez Ghausi
Company Secretary



IN THE HIGH COURT OF SINDH AT KARACHI

JCM No. 20 of 2024

30/08/24
APPEAL: REGISTERED

3307/4
✓
✓

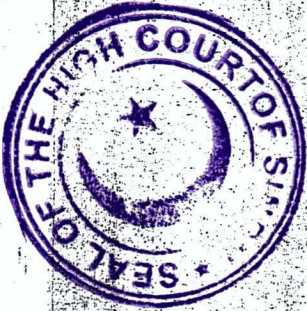
IN THE MATTER OF SECTION 279-283 OF THE COMPANIES ACT, 2017,
AND IN THE MATTER OF:

1. Amer Cotton Mills (Pvt.) Ltd.,
a company incorporated
under the laws of Pakistan,
having its registered office at:
173-174- Cotton Exchange Building,
I. I. Chundrigar Road,
Karachi

... Petitioner No. 1

2. Reliance Cotton Spinning Mills Ltd.,
a company incorporated
under the laws of Pakistan,
having its registered office at:
312- Cotton Exchange Building,
I. I. Chundrigar Road,
Karachi

... Petitioner No. 2



AND IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN AMER
COTTON MILLS (PVT.) LTD., AND RELIANCE COTTON SPINNING MILLS LTD.

PETITION UNDER SECTION 279-283 OF THE
COMPANIES ACT, 2017

Handwritten signature or initials.

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

JCM No. 20 of 2024

Date: Order with signature of the Judge

1. For orders on CMA No.1789/2024
2. For hearing of main petition

15.11.2024

M/s Rashid Anwar & Yousuf Khalid Anwar Advocates for the Petitioners.
Syed Ebad-ur-Rehman, Advocate for SECP.

MAHMOOD A. KHAN, J. This petition under sections 279 to 283 of the Companies Act, 2017 pertains to merger of Petitioner No.1 with Petitioner No.2. The purpose of the petition is approval of the scheme of Amalgamation/Merger attached as Annexure 'C' to the petition. In substance the petitioners have proposed to restructure in terms whereof Petitioner No.1 i.e. Amer Cotton Mills (Pvt.) Ltd. is required to be merged and amalgamated into Petitioner No.2 i.e. Reliance Cotton Spinning Mills Ltd.

2. I have heard learned counsel for petitioners as well as law officer SECP and perused material available on record wherein the learned counsel for SECP has contended that the question pointed out in the comments stands responded to by the petitioners and as such no objection is present on part of SECP.

3. In terms of the Scheme of Amalgamation/Merger entire undertaking and business including assets, rights, properties, benefits, powers privileges, contracts, liabilities, encumbrances, obligations and dues of petitioner No.1 will be transferred to and vested in and assumed by petitioner No.2 against the allotment and issue of shares of petitioner No.2 to shareholders of petitioner No.1. Thus, in terms of Scheme of Amalgamation/Merger petitioner No.2 will act accordingly whereas petitioner No.1 shall cease to exist without winding up.

4. The audited financial statements of both Petitioner Nos.1 & 2 as on 31.03.2024 are available on record as Annexures 'A/1' and 'B/1' respectively. The Scheme is



determined and approved by the respective Board of directors of both the petitioners after considering all the aspects including the values and calculations by the Chartered Accountants. The shareholders of Petitioner No.2 shall be issued shares of Petitioner No.1 in accordance with the Scheme of Amalgamation/ Merger.

5. In view of the above, it appears that the petitioners completed all necessary legal formalities, including holding separate meetings of shareholders and board of directors, requisite publication and issuance of notices to the Securities & Exchange Commission of Pakistan. In terms of such meetings of the board of directors and shareholders to the extent it is applicable and report pertaining to such meetings are available on record and not a single shareholder of any of the two petitioners objected to the scheme. Copy of swap ratio calculation issued by the Chartered Accountants are available on record. The publication of the instant petition was effected in Daily 'Jang' and 'The News' of Lahore, Karachi and Islamabad in their issue of 06.09.2024 and was also gazette.

6. It is settled principle of law that the approach is channelized to ascertain (i) whether the statutory requirements were complied with and (ii) to determine whether the scheme as a whole has been arrived at by the majority, bona fide and the interest of whole body of shareholders in whose interest the majority purported to act and (iii) whether scheme is such that fair and reasonable shareholder will consider it to be for the benefit of the company for himself. In the instant case no objection of whatsoever from any quarter has come forward while all the requisite formalities have been fulfilled hence no exception could be taken.

7. To understand the concept of question, it is rather to be seen from the perception that a wise group of businessmen has taken a decision considering all its pros and cons. While taking such decision there are chances of success and failure but then while questioning such decision the bona fide is the real litmus test. A businessman takes decision foreseeing the future aspect. The Court could only see that all legal



formalities have been fulfilled and that the scheme is neither unjust nor unfair or against the national interest but cannot challenge the wisdom of a decision of businessman as by doing that the Court would be overriding the wisdom of a businessman and their prerogative. Even otherwise the report of Chartered Accounts is also very material who were engaged for calculating the swap ratio in respect of envisaged scheme of Amalgamation/Merger.

8. In view of the above, I do not see any impediment in granting this petition, which is accordingly allowed as prayed.

Sd/- Mahmood Ali Khan
Judge

Imran



THE HIGH COURT OF SINDH, KARACHI
CERTIFIED TO BE TRUE COPY

(Signature)
(MUHAMMAD SARFARAZ)
I/C: ASSISTANT REGISTRAR (COPYING)

COPY APPLIED FOR ON *21/11/2019*

FEES ESTIMATED ON *21/11/2019*

ESTIMATED FEES DEPOSITED ON *21*

COPY MADE READY/CERTIFIED ON *21*

STAMP SUPPLIED ON *21*

COPY DELIVERED ON *21*

URGENT/NORMAL FEES:	PAGE:	RS:
COPYING FEES:	PAGE:	RS:
COMPARING FEES	PAGE: <i>04</i>	RS: <i>400/-</i>
TOTAL:		RS: <i>400/-</i>

COMPARING BY/
OFFICE ASSOCIATE
(Signature)
(MUHAMMAD SARFARAZ)
I/C ASSISTANT REGISTRAR (COPYING)