

The Crescent Textile Mills Limited

Notice of Annual General Meeting

Notice is hereby given that the 65th Annual General Meeting of the shareholders of The Crescent Textile Mills Limited (the "Company") will be held on Thursday, the October 30, 2014 at 9:00 a.m. at the registered office of the company at 45-A, Off: Zafar Ali Road, Gulberg-V, Lahore to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2014 together with the Directors' and Auditors' Reports thereon.
2. To approve, as recommended by the Board of Directors, payment of cash dividend @ 12.50% i.e. Rs. 1.25 per share for the year ended June 30, 2014.
3. To appoint Auditors of the Company and fix their remuneration.

Special Business:

4. To consider and approve the disposal of certain assets comprising of land, buildings and plant and equipment by passing the following resolutions as ordinary resolutions, with or without modification, addition or deletion in terms of Section 196 (3) (a) of the Companies Ordinance, 1984:

"Resolved that approval of the members of the Company be and is hereby accorded in terms of Section 196 (3) (a) of the Companies Ordinance, 1984 to authorize the disposal of certain assets comprising of land, buildings and plant and equipment, details whereof is contained in the statement of material facts.

Resolved Further That Mr. Muhammad Anwar, Chief Executive Officer and Mr. Ahmad Shafi, Executive Director of the Company, be and are hereby authorized and empowered on behalf of the Company to dispose of the assets in such manner and on such basis and on such terms and conditions and for such consideration as may be determined by them. They are further authorized to do all acts, deeds and things and take all necessary steps and actions including negotiations and signing and execution of documents, deeds, papers, agreements and all other documents as may be necessary or required from time to time in order to give effect to, implement and complete the sale of the assets as aforesaid and all matters connected, necessary and incidental thereto."

By Order of the Board

(Naseer Ahmad Chaudhary)
Corporate Secretary

Registered Office:
45-A, Off: Zafar Ali Road,
Gulberg-V, Lahore:
T:+92-42-111-245-245
F:+92-42-111-222-245

Dated: September 29, 2014

Notes:

1. The Members' Register will remain closed from October 21, 2014 to October 30, 2014 (both days inclusive). The Company has also declared 25% right shares at a premium of Rs. 5/- per share (total Rs. 15 per share). Physical / CDC transfers received at the Registered Office of the Company by the close of business on October 20, 2014 will be considered in time for the purpose of payment of cash dividend to the transferees as well as issue of right shares offered by the Company.
2. A member eligible to attend and vote in this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
3. Shareholders are requested to immediately notify the change in address, if any.
4. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:
 - a. For attending the meeting:
 - i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - ii). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

- b. For Appointing Proxies
- i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii). The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii). Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv). The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

5. Computerized National Identity Card (CNIC) / National Tax Number (NTN)

CNIC or NTN of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I)/2012 dated 5 July 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs or NTN are once again advised to provide the attested copies of their CNICs or NTN (if not already provided) directly to our Independent Share Registrar without any further delay.

6. Dividend Mandate Option

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.

7. Availability of Audited Financial Statements on Company's Website

The Company has placed the Audited Annual Financial Statements for the year ended 30 June 2014 along with Auditors and Directors Reports thereon on its website: www.crescenttextile.com.pk

8. Deduction of Income Tax from Dividend @ Revised Rates

Pursuant to the amendment in section 150 of the Income Tax Ordinance, 2001 through Finance Act 2014, the revised Income Tax Rates on Dividend Income are as follows:

Income Tax Return Filer	10%
Income Tax Return Non Filer	15%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. Members seeking eligibility for deduction at reduced tax are requested to provide us a valid tax certificate or documentary evidence as the case may be. Members desiring non-deduction of Zakat are also requested to submit a valid declaration for non-deduction of Zakat, if not provided earlier.

9. Transmission of Financial Statements to the Members through e-mail

In pursuance of SECP notification S.R.O 787 (I)/2014 dated September 08, 2014, the companies have been allowed to circulate their Annual Balance Sheet and Profit and Loss Account, Auditor's Report and Director's Report (Annual Financial Statements) along with Notice of Annual General Meeting (Notice) through e-mail to the members of the company. Members desiring to avail this facility may provide the requisite information to the Company. Members desiring to avail this facility may provide the requisite information to the company for which form may be downloaded from the Company's website: www.crescenttextile.com.pk

STATEMENT OF MATERIAL FACTS UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING TO BE HELD ON 30 OCTOBER 2014

The Company acquired 112 Acres land at Pindi Bhattian for setting up an industrial unit but due to lack of infrastructure facilities including energy and gas supplies, it is now proposed to dispose of the same for meeting the financial requirements of the Company. The Company also owns 23 Kanals and 18 Marla Land and Building at Murree which was purchased in 1962 situated at prime location of Murree (Pindi Point). The Company is paying markup on borrowings and is also short of working capital requirements. Therefore, the Board of Directors has decided to dispose of these properties to reduce the borrowing cost of the Company subject to approval of the shareholders.

The oldest spinning machinery including Ring Spinning Frames of 20,624 spindles with certain other machines have become inefficient and the Board of Directors has decided to dispose of the same.

The information required under Notification No. S.R.O. 1227/2005 dated December 12, 2005 is as follows:

Description	Qty.	BOD Approved On	Book Value (Million Rs.)
Land and Building:			
Freehold Land at Bahuman, Pindi Bhattian (Acres)	112	24-Feb-14	89.600
Murree Cottage, Pindi Point, Murree (Kanal-Marla)	23-18	24-Feb-14	0.803
Plant and machinery:			
IR Dryer	1	30-Oct-13	2.572
Air Compressor with Dryer & Cooling Tower	1	30-Oct-13	0.905
Comber with Lapformer	6	24-Feb-14	1.371
Simplex Frame	1	24-Feb-14	1.144
Ring Spinning Frames (20,624 Spindles)	48	24-Feb-14	1.435
Cone Winder	5	24-Feb-14	3.354
Total			101.184

Book value of assets to be disposed off on June 30, 2014 as indicated above includes revalued amount of land at Pindi Bhattian with an increase of Rs.81.490 million. Market price / fair value of these assets is expected to be higher to the above noted amount.

The Proposed manner of disposal:

These assets will be disposed of on competitive Prices Offered or settled through negotiations with the buyers.

Reasons for disposal of assets:

Disposal of assets will help in reducing bank loans of the company and will markup on such borrowings. It will also improve funds availability of company for its working capital requirements. Therefore, the Board of Directors have decided to dispose of these properties to reduce borrowing cost of company subject to approval of the shareholders.

Benefits expected to accrue to the shareholders:

Proceeds from disposal of such assets will be utilized in reduction of its borrowing and resultantly increase in company's profitability through saving in finance cost.

The directors have no direct or indirect interest in the above said special business except their shareholdings in the company.