
Notice of Annual General Meeting

Notice is hereby given that the 66th Annual General Meeting of the shareholders of The Crescent Textile Mills Limited (the "Company") will be held on Saturday, the October 31, 2015 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, 2015 together with the Directors' and Auditors' Reports thereon.
- 2 To approve, as recommended by the Board of Directors, payment of cash dividend @ 14.5% i.e. Rs. 1.45 per share for the year ended June 30, 2015.
3. To appoint Auditors of the Company and fix their remuneration.

Special Business:

4. To consider and if thought fit, to pass with or without modification, the following resolutions as special resolution:

"Resolved that the approval of the members of the Crescent Textile Mills Limited (the "Company") be and is hereby accorded in terms of Section 208 of the Companies Ordinance, 1984 for long term equity investment of Rs. 99,044,280 in Crescent Steel and Allied Products Limited, an associated company, for subscribing 1,707,660 ordinary right shares at Rs.58 per share including a premium of Rs 48 per share offered to the Company on its existing shareholding as per term and conditions disclosed to the members.

Resolved Further That Mr. Muhammad Anwar, Chief Executive Officer and Mr. Ahmad Shafi, Executive Director of the Company, be and are hereby singly authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions."

Registered Office:
45-A, Off: Zafar Ali Road,
Gulberg-V, Lahore:
T: +92-042-111-245-245
F: +92-042-111-222-245
Dated: October 03, 2015

By Order of the Board
(Naseer Ahmad Chaudhary)
Corporate Secretary

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Notes:

1. **Right Shares and Book Closure:**

The Board of Directors of the Company has declared 30.0551% right shares (30.0551 right shares for every 100 shares held) at a premium of Rs. 7.5 per share (total Rs. 17.5 per share). The right shares will be offered to all the members whose names will appear on the Members' Register of the Company at the close of business on November 14, 2015. The Members' Register will remain closed from November 15, 2015 to November 22, 2015 (both days inclusive) for right share entitlement. Physical / CDC transfers received in order at the Share Registrar's Office of the Company by the close of business on October 22, 2015 will be treated in time for the entitlement of cash dividend to the transferee and to attend the meeting. The Members' Register will remain closed from October 23, 2015 to October 31, 2015 (both days inclusive).
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.

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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 July 05, 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 June 30, 2015 along with Auditors and Directors Reports thereon on its website: www.ctm.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 2015, the revised Income Tax Rates on Dividend Income are as follows:

Income Tax Return Filer	12.5%
Income Tax Return Non Filer	17.5%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. Members seeking exemption from deduction of income tax or are eligible for deduction at reduce tax are requested to provide us 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.

The FBR has clarified that shareholders accounts jointly held by filers and Non-filers shall be dealt with separately and in such particular situation, each account holder is to be treated individually as either a filer or a non-filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to

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avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the close of business on October 22, 2015.

Folio/CDC Account No.	Name of shareholder	CNIC	Shareholding	Total shares	Principal/joint shareholder
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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 for which form may be downloaded from the Company's website: www.ctm.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 OCTOBER 31, 2015

Crescent Steel and Allied Products Limited ("CSAP") is an associated company of the Crescent Textile Mills Limited (the "Company") by virtue of common directorship with an existing investment of 6,830,643 Ordinary Shares representing 11% of the total paid-up capital of CSAP. Mr. Nasir Shafi and Mr. Khurram Mazhar Karim are common directors in both companies.

CSAP has issued 25% right shares and the Company has been offered 1,707,660 right shares on its above mentioned shareholding at a price of Rs. 58 per share including Rs. 48 as premium per share. Accordingly, the Board of Directors of the Company has approved subscription of right shares amounting to Rs. 99,044,280/- and has recommended the same for approval of shareholders pursuant to the requirement of Section 208 of the Companies Ordinance, 1984.

The Directors, sponsors and majority shareholders of the Company and their relatives have no interest, directly or indirectly, in CSAP and the proposed investment except to the extent of their/spouse's shareholdings that is as under:

Name	% of Shareholding
Mr. Muhammad Rafi	0.23
Mr. Muhammad Anwar	0.03
Mr. Ahmad Shafi	0.54
Mr. Khalid Bashir	0.18
Mr. Khurram Mazhar Karim	0.01
Mr. Muhammad Arshad	0.40
Mr. Nasir Shafi	0.06

The Directors submit that they have carried out necessary due diligence for the proposed investment in CSAP and duly signed recommendation of the due diligence report shall be available for inspection of members in the general meeting along with audited accounts of the associated company.

CSAP and its sponsors/directors have no interest in the Company except for their respective shareholdings in the Company, that is as under:

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Name	% of Shareholding
Mr. Ahsan M. Saleem	1.02
Mr. Khurram Mazhar Karim	0.21
Mr. Nasir Shafi	0.51
Mr. Zahid Bashir	0.16

Latest annual/reviewed audited accounts of CSAP shall be made available for inspection of members in the annual general meeting.

Information required under Clause (a) of sub regulation 1 of regulation 3 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

i.	Name of the associated company	Crescent Steel and Allied Products Limited (CSAP)
	Criteria of associated relationship	Common directorship
ii.	Purpose	To keep intact strategic interest in CSAP.
	Benefits	To earn return on equity of CSAP through dividend income and capital appreciation
	Period of investment	Strategic investment - Long term
iii.	Maximum amount of investment	Rs 99,044,280
iv.	Maximum price at which securities will be acquired	Rs 58 per share
v.	Maximum number of securities to be acquired	1,707,660 ordinary shares
vi.	Shareholding before investment	No of shares: 6,830,643 Shareholding Percentage: 11%
	Shareholding after investment	No of shares: 8,538,303 Shareholding Percentage: 11%
vii.	Average of the preceding twelve weekly average price of the security intended to be acquired	Rs 91.95 per share (Jul 15 - Sep 15)
viii.	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1) of the Companies (investment in Associated Companies or Associated Undertakings) Regulations, 2012	Not applicable as CSAP is listed security.

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ix.	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	Rs 65.2 per share as at June 30, 2015 as per audited accounts.
x.	Earnings per share for the last three years	2015 Rs 1.71 per share 2014 Rs 5.80 per share 2013 Rs 13.14 per share
xi.	Source of funds from which shares will be acquired.	Investment will be made from the company's funds.
xii.	Requirement if shares are intended to be acquired using borrowed fund	Not applicable.
xiii.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	The Company will be subscribing to right shares, hence no agreement is required.
xiv.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the associated company or transaction under consideration.	Directors are interested in investee company to the extent of their shareholding.
xv.	Any other important details necessary for the members to understand the transaction; and	None
xvi.	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required namely.	Not applicable
	(I) Description of the project and its history since conceptualization;	
	(II) Starting and expected date of completion of work;	
	(III) Time by which such project shall become commercially operational; and	
	(IV) Expected time by which the project shall start paying return on investment	