

CRESCENT COTTON MILLS LIMITED

NOTICE OF EXTRA ORDINARY GENERAL MEETING



NOTICE IS HEREBY GIVEN THAT an Extra-Ordinary General Meeting of the shareholders of **CRESCENT COTTON MILLS LIMITED** will be held at the Registered Office of the Company on Monday the August 21, 2017 at 09:30 a.m. to transact the following business:-

SPECIAL BUSINESS:

To consider and approve the long term equity investment by subscribing right shares offered by M/s Shakarganj Limited, an associated company and for this purpose, if thought fit, to pass the following resolution, with or without modification, under section 199 of the Companies Act, 2017, as recommended by the Board of Directors of the Company:

"Resolved that the approval of the members of the Crescent Cotton Mills Limited (the "Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for equity investment of Rs. 21,860,280 in Shakarganj Limited, an associated company, for subscribing 336,312 ordinary right shares at Rs. 65 per share (inclusive of Rs. 55 as premium per share) offered to the Company on its existing shareholding as per term and conditions disclosed to the members.

Resolved Further That Mr. Muhammad Arshad, Chief Executive Officer 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 resolution."

GENERAL BUSINESS

3. To transact any other business with the permission of the chair.

REGISTERED OFFICE:

Crescent Cotton Mills Limited
New Lahore Road, Nishatabad,
Faisalabad: Phone No. 041-8752111-13
Fax No. 041-8750366
Dated: July 31, 2017

**On Behalf Of The Board
(Sami Ullah Ch.)
Company Secretary**

Note:

1. The Share Transfer Books of the Company will remain closed from August 11, 2017 to August 21, 2017 (both days inclusive).
2. A member eligible to attend and vote at 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 of holding the meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 of 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 identity by showing his original National Identity Card (NIC) or original passport at the time of attending the meeting. The shareholders registered on CDC are also requested to bring their Participants I.D. numbers and account numbers in CDC.
 - ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of 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 and NIC Nos. shall be mentioned on the form.
 - iii). Attested Copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv). The proxy shall produce his original NIC 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 signature of the nominee shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

4. 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(1)/2012 dated July 5, 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.

5. Dividend Mandate

Under second proviso to Section 242 of the Companies Act 2017, listed companies are required to pay declared cash dividends only through electronic mode directly into the bank accounts designated by the entitled shareholders. 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. Accordingly, the shareholders of the company are requested to provide the following information for payment of cash dividend to be declared by the company through electronic mode directly in the bank account designated by you. Title of Bank Account Bank, Account Number, Bank's Name, Branch Name and Address, Cell Number of Shareholder, Landline number of Shareholder, Email of Shareholder. The Shareholder will intimate the changes, if any in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur.

STATEMENT UNDER SECTION 134 OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business to be transacted at the Extra Ordinary General Meeting of the company to be held on August 21, 2017.

The board of directors of the company has proposed the investment of Rs. 21.860 million in the shape of equity in Shakarganj Limited, an associated company. Shakarganj Limited has offered 13.6363% Right Shares. The Company holds =2,466,293= shares of Shakarganj Limited and as such has been offered =336,312= Right Shares valuing Rs. 21,860,280/= . The Market value of share of Shakarganj Limited is round Rs. 96/= per share and it would be beneficial to subscribe the Right Shares. Mr. Muhammad Arshad, Chief Executive Officer of the Company is also a director in Shakarganj Limited.

The information required under Clause (a) of sub regulation 1 of regulation 3 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 is as under :-

In case of investment in securities:

(i)	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established;	Shakarganj Limited There are common directors in Crescent Cotton Mills Limited and Shakarganj Limited.
(ii)	Purpose, benefits and period of investment;	Purpose of investment is to get share of benefit from the profits to be made by Shakarganj Limited. It would be a long term investment unless otherwise decided to disinvest earlier at some best offer price in the best interest of the company.
(iii)	Maximum amount of investment;	Pak Rupees 21,860,280/=
(iv)	Maximum price at which securities will be acquired;	Securities will be acquired at Rs. 65.00 per share.
(v)	Maximum number of securities to be acquired;	336,312 shares.
(vi)	Number of securities and percentage thereof held before and after the proposed investment;	Before investment, total number of shares of Shakarganj Limited is 2,466,293 (2.24%). After investment the number of shares will be 2,802,605 (2.24%).
(vii)	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired;	Average price of the security is Rs. 106.08 per share.
(viii)	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulations 6(1);	Not applicable.
(ix)	Break-up value of the securities intended to be acquired on the basis of the latest audited financial statements;	Rs. 45.19 (Including surplus on revaluation of fixed assets)
(x)	Earnings per share of the associated company or associated undertaking for the last three years;	2016 Rs. (0.18) per share 2015 Rs. (1.89) per share 2014 Rs. (9.19) per share
(xi)	Sources of fund from which securities will be acquired;	Company's own sources.
(xii)	Where the securities are intended to be acquired using borrowed funds -	
	(i) Justification for investment through borrowings; and	Not applicable
	(ii) detail of guarantees and assets pledged for obtaining such funds;	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, sponsor, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Directors, sponsors and majority shareholders and their relatives are interested in associated company and transaction to the extent of their shareholdings as mentioned hereinabove.
(xv)	Any other important details necessary for the members to understand the transaction; and	Shakarganj Limited has offered 13.6363% Right Shares.
(xvi)	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operation, in addition to the information referred to above, the following further information, is required, namely	
	(i) description of the project and its history since conceptualization;	Not applicable
	(ii) starting and expected date of completion of work;	Not applicable.
	(iii) time by which such project shall become commercially operational; and	Not applicable
	(iv) expected time by which the project shall start paying return on investment;	Not applicable.