

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 March 14, 2016 at 09:30 a.m. to transact the following business:-

SPECIAL BUSINESS:

To consider and if thought fit to pass following resolution as a special resolution under section 208 of the Companies Ordinance, 1984 with or without modification:

Resolved That consent of the Company be and is hereby accorded for purchasing/acquiring Ordinary Shares of the Shakarganj Limited, an Associated Companies upto Rs. 16.685 Million subject to the availability of sufficient funds with the company at the time of subscribing the right shares.

Further Resolved That Mr. Muhammad Arshad, Chief Executive Officer of the Company be and is hereby authorized to take or cause to be taken any and all actions necessary for making investment in right shares of Shakarganj Limited and to dispose of the said right shares as he thinks fit on behalf of the Company.

GENERAL BUSINESS

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

REGISTERED OFFICE:

Crescent Cotton Mills Limited
New Lahore Road, Nishatabad,
Faisalabad: Phone No. 8752111-13
Dated: February 19, 2016

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

Note:

1. The Share Transfer Books of the Company will remain closed from March 05, 2016 to March 14, 2016 (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.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984

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 March 14, 2016.

The board of directors of the company has proposed the investment of Rs. 16.685 million in the shape of equity in Shakarganj Limited, an associated company. Shakarganj Limited has offered 58.2192% Right Shares. The Company holds =2,865,830= shares of Shakarganj Limited and as such has been offered =1,668,463= Right Shares valuing Rs. 16,684,630/=. The Market value of share of Shakarganj Limited is round Rs. 13.50/= per share and it would be beneficial to subscribe the Right Shares.

The information required under SRO 27(1)/2012 dated January 16, 2012 are 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 16,684,630/=
(iv)	Maximum price at which securities will be acquired;	Securities will be acquired at Rs. 10.00 per share.
(v)	Maximum number of securities to be acquired;	1,668,463 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 2,865,830 (4.12%). After investment the number of shares will be 4,534,293 (4.12%).
(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. 17.51 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. 64.60 (Including surplus on revaluation of fixed assets)
(x)	Earnings per share of the associated company or associated undertaking for the last three years;	2015 Rs. (2.05) 2014 Rs. (9.19) 2013 Rs. 3.84
(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;	Not applicable.
(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;	The directors of the Company have no direct or indirect interest in the above said special business that would require further disclosure, save their shareholdings in and remuneration by the Company.
(xv)	Any other important details necessary for the members to understand the transaction; and	Shakarganj Limited has offered 58.2192 % 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.