



The Crescent Textile Mills Limited

☒ **Mills & Registered Office**
Sargodha Road,
Faisalabad, Pakistan
T: +92-41-111-105-105
F: +92-41-8786525
E: crestex@ctm.com.pk

Share Registrar
CorpTec Associates (Pvt) Limited,
503-E, Johar Town,
Lahore, Pakistan
T: +92-42-35170336-7
F: +92-42-35170338
E: info@corptec.com.pk
www.ctm.com.pk

CTM/CS/PSX/2021/
April 29, 2021

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

Dear Sir,

Re: Financial Results of The Crescent Textile Mills Limited
for the nine months ended March 31, 2021.

We have to inform you that the Board of Directors of The Crescent Textile Mills Limited in their meeting held at 10:30 a.m. on the Thursday, April 29, 2021 have considered and approved Un-audited Quarterly Accounts of the company for the period ended March 31, 2021.

Cash Dividend	:	Nil
Bonus Shares	:	Nil

Right Shares:

The Board has decided to increase the paid-up capital of the company by issue of a further 20,000,000 (Twenty million) ordinary shares, having face value of Rs. 10 each as right to be offered to the members in the proportion of 25 right shares for every 100 ordinary shares held i.e. 25%, at the price of Rs. 20 per right share (inclusive of a premium of Rs. 10 per right share).

Following details are enclosed:

- i) Statement with respect to the detail of the right issue, including quantum of issue, issue size, issue price, purpose of issue, utilization of proceeds, benefits of the issue to the company and its shareholders, risk factor and justification for issue of shares at premium (Annexure B).
- ii) Certified true copy of the extract of the resolutions passed by the Board of Directors of the company Dated April 29, 2021 (Annexure C).
- iii) Draft copy of the notice of the right issue and book closure to the shareholders prior to its publication in the newspapers (Annexure D).

The financial results of the Company are attached as 'Annexure A'.

The Share Transfer Books of the company will be closed from May 23, 2021 to May 29, 2021 (both days inclusive). Transfers received at the Share Registrar Office, CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore at the close of business on May 22, 2020 will be treated in time for the purpose of above entitlement to the transferees.



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The Quarterly Report of the Company for the period ended March 31, 2021 will be transmitted through PUCARS separately, within the specified time.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Very truly yours,
for The Crescent Textile Mills Limited

(Naseer Ahmad Chaudhary)
Company Secretary

CC to: Securities & Exchange Commission of Pakistan,
N.I.C. Building, Jinnah Avenue, Blue Area,
Islamabad.

The Joint Registrar,
Company Registration Office,
Faisalabad Chamber of
Commerce and Industry Building,
2nd Floor, East Canal Road,
Faisalabad.

Director/HOD,
Surveillance, Supervision and Enforcement
Department,
Securities & Exchange Commission of Pakistan,
NIC Building, 63-Jinnah Avenue, Blue Area,
Islamabad.



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'Annexure A'

	Un-audited Nine months ended		Un-audited Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rupees in thousand		Rupees in thousand	
Revenue	13,271,195	10,607,814	4,741,052	3,623,353
Cost of sales	(11,407,939)	(9,234,005)	(3,999,437)	(3,181,558)
Gross profit	1,863,256	1,373,809	741,645	441,795
Distribution cost	(536,782)	(430,763)	(184,233)	(155,076)
Administrative expenses	(330,649)	(294,429)	(116,835)	(103,051)
Other expenses	(125,367)	(110,735)	(68,721)	(85,819)
	(992,798)	(835,927)	(369,789)	(343,946)
Other income	870,458	537,882	371,856	97,849
	96,994	95,338	21,684	23,168
Profit from operations	967,452	633,220	393,540	121,017
Finance cost	(342,216)	(368,398)	(122,289)	(125,516)
Profit/(loss) before taxation	625,236	264,822	271,251	(4,499)
Taxation	(222,759)	(136,941)	(88,756)	(37,904)
Profit/(loss) after taxation	402,477	127,881	182,495	(42,403)
Earning / (Loss) per share - basic and diluted (Rupees)	5.03	1.60	2.28	(0.53)



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'Annexure B'

Statement pertaining to quantum of issue, issue Size, issue price, purpose of issue, utilization of proceeds, benefits of the issue to the company and the shareholders, risk factor and justification for issue of shares at premium, under Rule 3 of the Companies (Further issue of Shares) Regulations, 2020.

Quantum of the Right Issue

The quantum of the Right Issue is 25% of the existing paid-up capital of the Company i.e. 25 right shares for every 100 ordinary shares held by the shareholders of the Company.

Right Issue Size

The Company shall issue 20,000,000 ordinary shares, at a price of Rs. 20 per share, aggregating to Rs 400,000,000.

Right Issue Price

Rs. 20 per share, inclusive of a premium of Rs. 10 per share.

Purpose of the Right Issue

The purpose of Right Issue is to reduce reliance on borrowings.

Utilization of Proceeds of the Right Issue

The proceeds raised through Right Issue will be utilized for enhanced working capital requirement.

Benefits to the Company and Shareholders

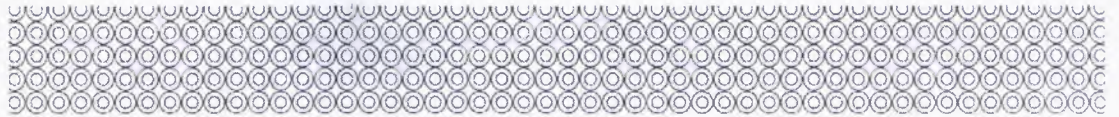
The same will result in an improved financial position of the Company as markup bearing debt of the Company will be settled and replaced with equity.

Risk Factors associated with the Right Issue

The Right Issue of the Company is being made at a price which is less than current share price in the market and hence there is no major investment risk associated with the Right Issue. The directors have given undertakings for subscription (or arrangement of subscription) of their respective right entitlements and the balance portion of the Right Issue is to be fully underwritten as per requirement of the applicable regulations. Normal risks associated with the business will remain.

Justification for issue of shares at premium

Considering the current market price of the Company, the premium charged over the par value is justified (31.27% discount on last closing market price of CTM share, April 28, 2021 Rs. 29.10 per share). Breakup value as per last audited annual account was Rs. 108 per share.



'Annexure C'

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Extract of the Resolutions passed by the Board of Directors of The Crescent Textile Mills Limited (the 'company') at its meeting on April 29, 2021 at 10:30 am at Faisalabad.

Resolved that the ordinary paid up share capital of the Company be increased from Rs 800,000,000 (Pak Rupees Eight Hundred Million) to Rs 1,000,000,000 (Pak Rupees one billion), by issue of further 20,000,000 ordinary shares of the Company of Rs 10 each, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of Rs. 20 per share including a premium of Rs. 10 per share, in the ratio of 25 right shares for every 100 existing ordinary shares, against payment to the Company of the price of the shares subscribed, which shares shall rank par; passu in all respects with the existing ordinary shares of the Company (the "Right Issue").

Further Resolved that the following are the quantum, size, price and purpose of the Right Issue, along with the utilization of proceeds, benefits of the Right Issue to the Company and the shareholders of the Company, the risk factors associated with the Right Issue, and the justification for the issue of shares at premium, in accordance with Regulation 3 (1) (iii) of the Companies (Further issue of Shares) Regulations, 2020:

- a) **Quantum of the Right Issue**
The quantum of the Right Issue is 25% of the existing paid-up capital of the Company i.e. 25 right shares for every 100 ordinary shares held by the shareholders of the Company.
- b) **Right Issue Size**
The Company shall issue 20,000,000 ordinary shares, at a price of Rs. 20 per share, aggregating to Rs 400,000,000.
- c) **Right Issue Price**
Rs. 20 per share, inclusive of a premium of Rs. 10 per share.
- d) **Purpose of the Right Issue**
The purpose of Right Issue is to reduce reliance on borrowings.
- e) **Utilization of Proceeds of the Right Issue**
The proceeds raised through Right Issue will be utilized for enhanced working capital requirement.
- f) **Benefits to the Company and Shareholders**
The same will result in an improved financial position of the Company as markup bearing debt of the Company will be settled and replaced with equity.
- g) **Risk Factors associated with the Right Issue**
The Right Issue of the Company is being made at a price which is less than current share price in the market and hence there is no major investment risk associated with the Right Issue. The directors have given undertakings for subscription (or arrangement of subscription) of their respective right entitlements and the balance portion of the Right Issue is to be fully underwritten as per requirement of the applicable regulations. Normal risks associated with the business will remain.
- h) **Justification for issue of shares at premium**
Considering the current market price of the Company, the premium charged over the par value is justified (31.27% discount on last closing market price of CTM share, April 28, 2021 Rs.29.10 per share). Breakup value as per last audited annual account was Rs. 108 per share.



Further Resolved that the letter of offer may be issued / signed by any two directors of the Company in compliance with the applicable laws.

Further Resolved that the Company shall approach its sponsors, directors, associated undertakings or any other third party to seek their commitment for taking up the unsubscribed shares upto PKR 250,000,000/- and deposit their amounts with the Company in support of their commitments. To the extent that any shares still remain uncommitted or unsubscribed in respect of the Rights Issue, the Company may offer and allot the same to its sponsors, directors, associated undertaking or other third parties as the directors may deem fit in accordance with Section 83 (1) (a)(iv) of the Companies Act, 2017, before calling upon the underwriters to subscribe to any unsubscribed shares.

Further Resolved that the Company be and is hereby authorized to close its share transfer books from May 23, 2021 to May 29, 2021 (both days inclusive) to determine entitlements of the shareholders of the Company with respect to the Right Issue.

Further Resolved that Mr. Muhammad Anwar, Chief Executive, Mr. Ahmad Shafi, Executive Director and Mr. Asim Siddique, CFO of the Company be and are hereby singly authorized to do the following on behalf of the Company:

- (i) appoint / negotiate with consultants / advisors / auditors and underwriter(s) to the Right Issue, to finalize terms and conditions and sign underwriting agreements(s), other documents and settle / finalize fees, underwriting commission, take up commission and third-party expenses and / or any other expenses relating to the Right Issue;
- (ii) to prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce book closure dates, and to take all necessary actions, in respect of the Right Issue and ancillary matters thereto, as required by the Securities and Exchange Commission of Pakistan ("SECP") / Pakistan Stock Exchange Limited ("PSX") / Central Depository Company of Pakistan Limited ("CDC") (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC) or any other authority;
- (iii) to open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of shares;
- (iv) to allot / credit right shares and file returns as required by SECP / PSX / CDC along with the auditors' certificates; and
- (v) to take all other necessary steps, and do all other acts, deeds and things, sign circular to accompany the letter of offer, pursuant to Section 83(3) of the Companies Act, 2017 and to prepare the offer letter, schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions.

Certified that the above mentioned is a true and valid extract from the meeting of the Board of Directors of The Crescent Textile Mills Limited, Sargodha Road, Faisalabad, on April 29, 2021.

(Naseer Ahmad Chaudhary)
Company Secretary
April 29, 2021

'Annexure D'

The Crescent Textile Mills Limited

Notice of Right Issue and Book Closure

Members are hereby notified that the Board of Directors of The Crescent Textile Mills Limited (the 'company') in their meeting held on April 29, 2021 has decided to issue further capital by offering 20,000,000 (Twenty million) ordinary right shares of Rs. 10 each, in the proportion of 25 right shares for every 100 ordinary shares held (i.e. 25%), at a price of Rs. 20 per share (inclusive of a premium of Rs. 10 per share), against payment to the company of the price of the shares subscribed by the shareholders, which shall rank pari passu in all respect with the existing ordinary shares of the company.

The Share Transfer Books of the company will be closed from May 23, 2021 to May 29, 2021 (both days inclusive). Transfers received at the Share Registrar Office, CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore at the close of business on May 22, 2020 will be treated in time for the purpose of above entitlement to the transferees.

(Naseer Ahmad Chaudhary)
Company Secretary