

ELLCOT SPINNING MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of members of ELLCOT SPINNING MILLS LTD. will be held at the Registered Office of the Company, situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660 on Friday, October 26, 2018 at 11:30 a.m. to transact the following business:-

- 1) To confirm minutes of the Annual General Meeting held on October 27, 2017.
- 2) To receive, consider and adopt Audited Accounts of the Company for the year ended June 30, 2018 together with the Directors' and Auditors' reports thereon.
- 3) To approve and declare final dividend as recommended by the Board of Directors.
- 4) To appoint Auditors for the year ending June 30, 2019 and fix their remuneration.
- 5) To transact any other ordinary business with the permission of the Chair.

A statement required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is annexed.

By Order of the Board

Lahore : September 27, 2018

Syed Mohsin Gilani
Corporate Secretary

NOTES:

- 1) The share transfer books for ordinary shares of the Company will be closed from Saturday, October 20, 2018 to Friday, October 26, 2018 (both days inclusive). Valid transfer(s) received in order by our Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore by the close of business on Friday, October 19, 2018 will be in time to be passed for payment of dividend to the transferee(s).
- 2) A member entitled to attend and vote at the General Meeting is entitled to appoint another member as proxy. Proxies, in order to be effective, must be received at the Company's registered office not less than forty eight (48) hours before the time of meeting. Members through CDC appointing proxies must attach attested copy of their Computerised National Identity Card (CNIC) with the proxy form.
- 3) The shareholders through CDC, who wish to attend the Annual General Meeting are requested to please bring, original CNIC with copy thereof duly attested by their bankers, account number and participant I.D number for identification purpose.
- 4) In case of corporate entity, certified copy of the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.
- 5) Members who have not submitted copy of valid CNIC are once again advised to submit the same without further delay to ensure compliance with the Securities and Exchange Commission of Pakistan (SECP) Notification S.R.O. 275(j)/2016 dated March 31, 2016 read with Notification S.R.O. 19(I)/2014 dated January 10, 2014 and Notification S.R.O. 831(I)/2012 dated July 5, 2012.

Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

- 6) In accordance with Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulation 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that given bank mandate for dividend payments is **MANDATORY** and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the particulars relating to name, folio number, bank account number, IBAN Number, title of account and complete mailing address of the bank directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS).

In case of non-receipt of above information, the dividend shall be withheld.

- 7) The financial statements for the year ended June 30, 2018 shall be uploaded on the Company's website www.nagina.com twenty one days prior to the date of holding of annual general meeting.
- 8) Pursuant to SECP Notification S.R.O. 787(I)/2014 dated September 8, 2014, members may inform the Company to receive the Audited Financial Statements and notices through e-mail by submitting Standard Request Form available on Company's website.
- 9) Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.
- 10) If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.
- 11) Members are requested to promptly notify the Company of any change in their registered address.

12) IMPORTANT:

- a) Pursuant to the provisions of the Finance Act, 2018, effective July 1, 2018, the rates of deduction of income tax from dividend payments under the income Tax Ordinance have been revised as follows:
- i) Rate of tax deduction for filer of income tax return 15%
 - ii) Rate of tax deduction for non-filer of income tax return 20%

To enable the company to make tax deduction on the amount of cash dividend @15% instead of 20%, shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @20% instead of 15%.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on "Filer/ Non-Filer" status of principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in writing, within 10 days of this notice, otherwise it will be assumed that the shares are equally held by principal shareholder and joint-holder(s).

- b) Shareholders are again requested to provide copy of CNIC/NTN, e-Dividend information and change of address to (i) respective Central Depository System (CDS) Participant and (ii) in case of physical securities to the Company's Share Registrar M/s. Hameed Majeed Associates (Pvt) Ltd., 1st Floor, H.M. House, 7-Bank Square, Lahore.
- c) Shareholders are requested to contact the Registered Office of the Company or the Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore for collection of their unclaimed shares / unpaid dividend which they have not received due to any reasons.

STATEMENT AS REQUIRED UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017.

Members had approved a special resolution u/s 208 of the repealed Companies Ordinance, 1984 (u/s 199 of the Companies act, 2017) on October 28, 2015. The Company has not made any investment under the resolution. Following is the status:

a. Total investment approved.	Rs.75,000,000/= (Rupees seventy five million only) to each of the following associated company: i) Nagina Cotton Mills Ltd. (NCML) ii) Prosperity Weaving Mills Ltd. (PWML)																																			
b. Amount of investment made to date:	Nil																																			
c. Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time; and	No deviation from approved timeline, due to better cash flows, the associated companies did not need funds envisaged u/s 199 of the Companies Act, 2017. Therefore, no investment transaction took place during the year 2017-18.																																			
d. Material change in Financial Statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th colspan="2" style="text-align: center;">Present Financial Position as on June 30, 2018</th> <th colspan="2" style="text-align: center;">Financial Position at the time of approval as on June 30, 2015</th> </tr> <tr> <th></th> <th style="text-align: center;">NCML</th> <th style="text-align: center;">PWML</th> <th style="text-align: center;">NCML</th> <th style="text-align: center;">PWML</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="4" style="text-align: center;">Rupees in Millions</td> </tr> <tr> <td>Net sales</td> <td style="text-align: right;">5,878.554</td> <td style="text-align: right;">6,212.431</td> <td style="text-align: right;">4,208.114</td> <td style="text-align: right;">5,811.482</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">514.147</td> <td style="text-align: right;">355.552</td> <td style="text-align: right;">389.233</td> <td style="text-align: right;">318.755</td> </tr> <tr> <td>Profit/(loss) before tax</td> <td style="text-align: right;">223.557</td> <td style="text-align: right;">54.697</td> <td style="text-align: right;">148.032</td> <td style="text-align: right;">31.188</td> </tr> <tr> <td>Profit/(loss) after tax</td> <td style="text-align: right;">158.202</td> <td style="text-align: right;">54.697</td> <td style="text-align: right;">133.689</td> <td style="text-align: right;">60.831</td> </tr> </tbody> </table>		Present Financial Position as on June 30, 2018		Financial Position at the time of approval as on June 30, 2015			NCML	PWML	NCML	PWML		Rupees in Millions				Net sales	5,878.554	6,212.431	4,208.114	5,811.482	Gross profit	514.147	355.552	389.233	318.755	Profit/(loss) before tax	223.557	54.697	148.032	31.188	Profit/(loss) after tax	158.202	54.697	133.689	60.831
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