

**ELLCOT SPINNING MILLS LTD.**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 31<sup>th</sup> 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 25, 2019 at 11:30 a.m. to transact the following business:-

**ORDINARY BUSINESS**

- 1) To confirm minutes of the Annual General Meeting held on October 26, 2018.
- 2) To receive, consider and adopt Audited Financial statement of the Company together with the Chairman's Review Report, Directors' and Auditors' reports thereon for the year ended June 30, 2019.
- 3) To approve and declare final dividend as recommended by the Board of Directors.
- 4) To appoint Auditors for the year ending on June 30, 2020 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,

  
**Syed Mohsin Gilani**  
Corporate Secretary



Lahore: September 26, 2019

**NOTES:**

- 1) The share transfer books for ordinary shares of the Company will be closed from Saturday, October 19, 2019 to Friday, October 25, 2019 (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 18, 2019 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(i)/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 the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to 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, 2019 shall be uploaded on the Company's website [www.nagina.com](http://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:**

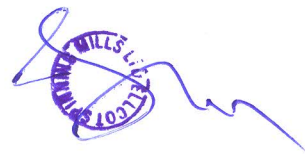
- a) Pursuant to the provisions of the Finance Act, 2019 effective from July, 01 2019, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:
- |  |     |
|--|-----|
| i) Rate of Withholding Income Tax deduction for the persons whose names are appearing on ATL.      | 15% |
| ii) Rate of Withholding Income Tax deduction for the persons whose names are not appearing on ATL. | 30% |

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To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not appearing on Active Taxpayers' List (ATL) available on the website of FBR are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% 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-holders (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., 1<sup>st</sup> 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, 1<sup>st</sup> 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 has occurred rather 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 2018-19.																																		
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 border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Present Financial Position as on June, 30, 2019</th> <th colspan="2">Financial Position at the time of approval as on June 30, 2015</th> </tr> <tr> <th>NCML</th> <th>PWML</th> <th>NCML</th> <th>PWML</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="4" style="text-align: center;"><b>Rupees in Millions</b></td> </tr> <tr> <td>Net sales</td> <td>6,932.309</td> <td>7,112.276</td> <td>4,208.114</td> <td>5,811.482</td> </tr> <tr> <td>Gross Profit</td> <td>832.426</td> <td>706.784</td> <td>389.233</td> <td>318.755</td> </tr> <tr> <td>Profit / (Loss) before tax</td> <td>361.126</td> <td>319.179</td> <td>148.032</td> <td>31.188</td> </tr> <tr> <td>Profit / (Loss) after tax</td> <td>308.620</td> <td>210.034</td> <td>133.689</td> <td>60.831</td> </tr> </tbody> </table>		Present Financial Position as on June, 30, 2019		Financial Position at the time of approval as on June 30, 2015		NCML	PWML	NCML	PWML		<b>Rupees in Millions</b>				Net sales	6,932.309	7,112.276	4,208.114	5,811.482	Gross Profit	832.426	706.784	389.233	318.755	Profit / (Loss) before tax	361.126	319.179	148.032	31.188	Profit / (Loss) after tax	308.620	210.034	133.689	60.831
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