

ELLCOT SPINNING MILLS LTD.
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th 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 on **Friday, October 27, 2023** at 11:30 a.m and virtually through video conference facility to transact the following business:-

ORDINARY BUSINESS

- 1) To confirm minutes of the Extraordinary General Meeting held on June 20, 2023.
- 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, 2023.
- 3) To approve and declare final cash dividend at Rs.6/- per share i.e. 60% for the year ended June 30, 2023, as recommended by the Board of Directors.
- 4) To appoint Auditors and fix their remuneration for the year ending on June 30, 2024 and fix their remuneration.

SPECIAL BUSINESS

- 5) To consider and if deemed fit, pass with or without modification the following Special Resolution for transmission of Annual Audited Accounts of the company to members through QR enable code and weblink as allowed by Security and Exchange Commission of Pakistan vide its Notification S.R.O. 389(i)/ 2023 dated March 21, 2023 instead of CD/DVD/USB.

RESOLVED THAT the consent of the members be and is hereby accorded to circulate the Annual Audited Financial Statements including auditor's report, Directors' report, Chairman's review and other reports contained therein to the Members of Ellocot Spinning Mills Limited through QR enable code and weblink.

RESOLVED THAT the Annual Audited Financial Statements of Ellocot Spinning Mills Limited be circulated to members through email in case email has been provided by the members of the company, without receiving consents from the members.

- 6) To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2023 and authorize the Board of Directors of the Company to approve transactions with related parties by passing the following special resolutions with or without modifications:
 - a) **RESOLVED** that the transactions conducted with Related Parties as disclosed in Note 38 of the financial statements for the year ended June 30, 2023 be and are hereby ratified, approved and confirmed.
 - b) **FURTHER RESOLVED** that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year 2024. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.
- 7) To transact any other ordinary business with the permission of the Chair.

Statements under Section 134 (3) of the Companies Act, 2017 pertaining to the special business and under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 are annexed.

Lahore: September 25, 2023

By Order of the Board


Syed Mohsin Gilani
Corporate Secretary



1. The Share Transfer Books of the Company will remain closed from October 21, 2023 to October 27, 2023 (both days inclusive). Transfers received in order by our Shares Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore by the close of business on October 20, 2023 will be considered in time to entitle the transferees for payment of dividend and to attend the AGM.
2. A member of the Company entitled to attend and vote at the Extraordinary General Meeting may appoint another member as his/her proxy to attend and vote in place of him/her at the meeting. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of meeting. A proxy must be a member of the Company. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000.

A. For Attending the Meeting

- a) In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b) In case of corporate entity, the Board's resolution power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a) In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
 - b) The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
 - c) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - d) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - e) In case of corporate entity, the Board's resolution power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
4. The members can also participate in the General Meeting through video link facility

To attend the Annual General meeting through video link, members and their proxies are requested to register their following particulars by sending an e-mail at azam@nagina.com.

Folio/CDC Account No.	No. of Shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October 26, 2023.

5. Voting Through Postal Ballot / E-voting

Pursuant to Companies (Postal Ballot) Regulations 2018 and read with Sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through voting by post or electronic voting facility for the special business agenda items # 5 and 6 in its forthcoming Annual General Meeting to be held on Friday October 27, 2023, at 11:30 a.m in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

- a) E-Voting will start from October 23, 2023 and shall close on October 26, 2023 at 5:00 pm. Details of e-voting facility will be shared through e-mail with those members of the Company who have their valid CNIC numbers, Cell Numbers, and e-mail addresses available in the Register of Member by the close of business on October 20, 2023.
 - b) Members of the Company who want to opt for voting through postal ballot are requested to ensure that duly filled and signed ballot paper along with clear copy of valid CNIC should reach at the address, The Chairman, ESML, Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore or email at azam@nagina.com one day before the Annual General Meeting, i.e., on October 26, 2023 before 5:00 p.m. during working hours. The signature on the ballot paper shall match with their signature on CNIC. The Ballot paper has also been placed on the Company's website [https:// www.nagina.com](https://www.nagina.com) to download. A postal ballot received after this time/date shall not be considered for voting.
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).

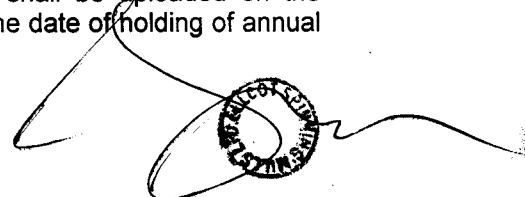
In case of non-receipt of above information, the dividend shall be withheld.

7. The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be 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% |

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).

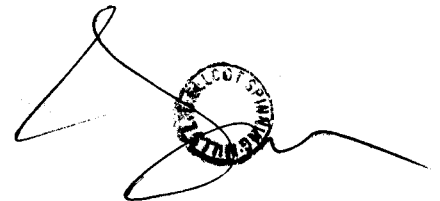
8. The financial statements for the year ended June 30, 2023 shall be uploaded on the Company's website www.nagina.com twenty-one days prior to the date of holding of annual general meeting.



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. As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30, 2017.

The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

12. Members are requested to promptly notify the Company of any change in their registered address.
13. For any query/ information, the investors may contact the Shares Registrar and / or the Company: Mr. Syed Mohsin Gilani, Phone No. 042-35756270 Ext. 337, email address: mohsin.gilani@nagina.com

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "NAGINA" at the top and "PSE" at the bottom, with some illegible text in the center. The signature is a cursive scribble that loops around the stamp.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on October 27, 2023.

Circulation/Dissemination of Annual Audited Financial Statements through QR enabled **1. Circulation/Dissemination of Annual Audited Financial Statements through QR enabled code and weblink.**

In view of technological advancements, and taking into account that old technology is becoming obsolete, SECP vide S.R.O. 389 (I)/2023 dated March 21, 2023, subject to the approval of the members of the Company, has allowed listed companies to circulate the Annual Report including audited financial statements, auditor's report and Directors report, etc to its members through QR enabled code and weblink and also permitted that the circulation of annual financial statements through CD/DVD/USB may be discontinued.

2. Agenda item No. 6 (a) - Ratification and Approval of Related Party Transactions

All the transactions carried out by the Company with related parties during the financial year ended June 30, 2023 given in the related party note 38 of the Annual Financial Statements of the Company for the year ended June 30, 2023.

The Company carried out transactions with Related Parties on arm's length basis as per the approved Related Party Transactions Policy in the normal course of business and periodically reviewed by the Board Audit Committee pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

The transactions with related parties have been approved by the Board in the quarterly / annual financial statements during the fiscal year 2022-23, however, the Board decided to place above related party transaction concluded during the fiscal year 2022-23 before the shareholders in AGM for ratification and approval due to the interests/concerns of some of the directors due to common directorship.

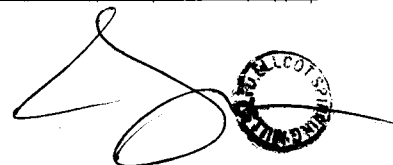
3. Agenda item No. 6 (b) - Authorization for the Board of Directors to approve related party transactions during the financial year ending June 30, 2024

The Company shall be conducting transactions with the related parties during the year ending June 30, 2024 in the ordinary course of business and at arm's length basis under the policy of the Company for related party transactions. All transactions entered into or to be entered into with related parties require the approval of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions shall be placed before the Board of Directors for approval. In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties for the year ending June 30, 2024, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/approval. The Directors are interested in the resolutions only to the extent of their common directorship in such related parties.



STATEMENT UNDER RULE 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

a) Total investment approved;	Rs.100,000,000/= (Rupees one hundred million only) to each of the following associated company: i) Prosperity Weaving Mills Ltd. (PWML) ii) Nagina Cotton Mills Ltd. (NCML)				
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	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 2022-23.				
d) Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	Present Financial Position as on June 30, 2023		Financial Position at the time of Approval as on June 30, 2020		
	PWML	NCML	PWML	NCML	
	Rupees in Millions				
	Net sales	14,654.708	12,818.758	6,018.541	7,070.172
	Gross profit	1,092,517	1,339.638	529.557	593.821
Profit before tax	344.564	803.518	247.968	100.274	
Profit after tax	153.129	589.947	154.755	7.629	



BALLOT PAPER FOR VOTING THROUGH POST

In person and virtual Annual General Meeting to be held on Friday, October 27, 2023 at 11:30 A.M, Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660, Phone :042-35756270, Website: www.nagina.com

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@nagina.com

Name of shareholder/joint shareholders	
Registered Address	
Number of Shares held (on close of October 21, 2023) and folio number	
CNIC No/Passport No (in case of foreigner) (Copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, Corporation and Federal Government)	

I / we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by picking tick (v) mark in the appropriate box below:

1. Resolution for Agenda No: 05

RESOLVED THAT the consent of the members be and is hereby accorded to circulate the Annual Audited Financial Statements including auditor's report, Directors' report, Chairman's review and other reports contained therein to the Members of Ellcot Spinning Mills Limited through QR enable code and weblink.

RESOLVED THAT the Annual Audited Financial Statements of Ellcot Spinning Mills Limited be circulated to members through email in case email has been provided by the members of the company, without receiving consents from the members.

2. Resolution for Agenda No.06

RESOLVED that the transactions conducted with Related Parties as disclosed in Note 38 of the financial statements for the year ended June 30, 2023 be and are hereby ratified, approved and confirmed.

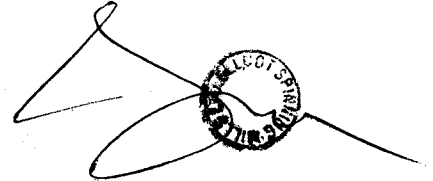
FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year 2024. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.

Resolution	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
Resolution for Agenda No: 05		
Resolution for Agenda No.06		

Signature of shareholder(s): _____ Place: _____
Date: _____

NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

1. Duly filled and signed original postal ballot should be sent to the Chairman, Ellcot Spinning Mills Ltd., at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660 or a scanned copy of the original postal ballot to be emailed at: chairman@nagina.com.
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot forms should reach chairman of the meeting on or before October 26, 2023 during working hours. Any Postal Ballot received after this date, will not be considered for voting.
4. Signature on Postal Ballot should match the signature on CNIC/Passport (in case of foreigner).
5. Incomplete, unsigned, in correct, defaced, torn, mutilated, over written ballot papers will be rejected.
6. In case of representative of body corporate and corporation, Postal Ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act 2017, as applicable, unless these have already been submitted along with Proxy Form. In case of foreign body corporate etc. all documents must be attested from the Pakistani Embassy having jurisdiction over the member.
7. Ballot paper has also been placed on the website of the Company www.nagina.com. Members may download the ballot paper form the website or use original/photocopy published in newspapers.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "ELLCOT SPINNING MILLS LTD." around the perimeter. The signature is a cursive-style name that appears to be "M. M. Alam".