




Gulistan Spinning Mills Limited

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Dated: 05-04-2011


The General Manager
Karachi Stock Exchange (Guarantee) Limited
Karachi

Dear Sir,

Subject: Merger by way of Amalgamation

2 This is to inform you that the Board approved the Scheme of Arrangement pertaining to the merger by way of amalgamation of the Company and Gulshan Spinning Mills Limited (GSM) with and into Paramount Spinning Mills Limited (PSM) along with approval of the share swap ratio in relation thereto, consequent upon which the necessary resolution has duly been adopted by the Board unanimously.

The Board for the purpose of the Scheme of Arrangement approved the following swap ratio:

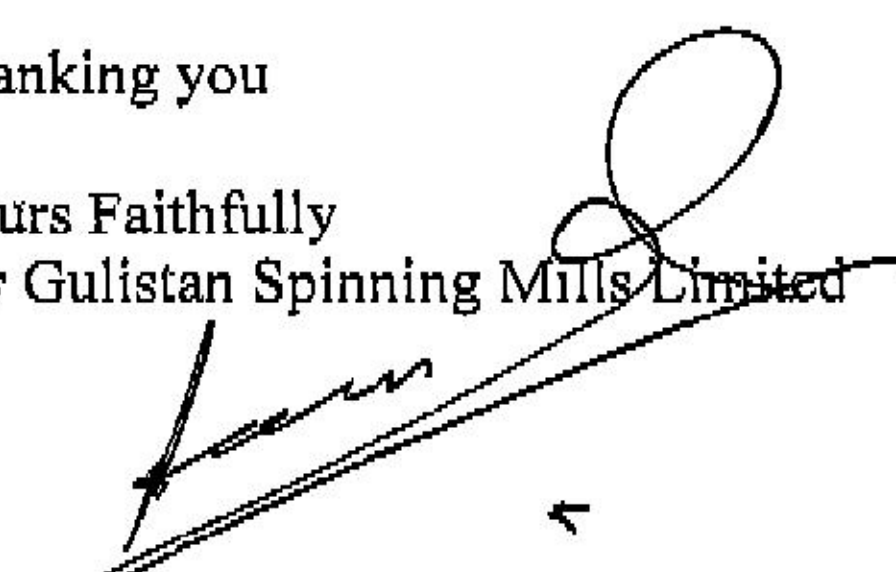
One ordinary share of the face value of Rs. 10/- each of PSM will be issued to the shareholders of the Company for every 1.7677 ordinary shares of the face value of Rs. 10/- each of GTSM held by the shareholders of the Company

The Board further authorized Mr. Tanveer Ahmed Director/Chief Executive of the Company or Mr. Naseer Ahmed Director of the Company to do all such acts and deeds as are needed in relation to the Scheme of Arrangement on behalf of the Company.

In this relation you will be kept informed as and when necessary.

Thanking you

Yours Faithfully
For Gulistan Spinning Mills Limited


Zammeer Q. Siddiqui
Company Secretary

