

**GULISTAN SPINNING
MILLS LIMITED**

ANNUAL REPORT 2015

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Akhtar Mirza (Chairman)
Mr. Sohail Maqsood (Chief Executive)
Mr. Muhammad Ashraf Khan
Mr. Maqsood ul Haq
Mr. Iftikhar Ali
Mr. Abid Sattar
Mr. Muhammad Yousaf

AUDIT COMMITTEE

Mr. Muhammad Yousaf (Chairman)
Mr. Muhammad Akhtar Mirza
Mr. Abid Sattar

HR & REMUNERATION COMMITTEE

Mr. Iftikhar Ali (Chairman)
Mr. Muhammad Akhtar Mirza
Mr. Abid Sattar

CHIEF FINANCIAL OFFICER

Mr. Salman Ali Riaz

COMPANY SECRETARY

Mr. Muhammad Saleem Raza

AUDITORS

M/s. Baker Tilly Mehmood Idress Qamar
Chartered Accountants
Lahore.

LEGAL ADVISOR

Akhter Javed-Advocate

TAX CONSULTANT

M/s. Sharif & Company-Advocate

SHARE REGISTRAR OFFICE

M/s. Hameed Majeed Associates (Pvt) Ltd.
Karachi Chamber
Hasrat Mohani Road Karachi
Ph. 32424826, 32412754, Fax. 32424835

REGISTERED OFFICE

2nd Floor, Finlay House,
I.I. Chundrigar Road,
Karachi.

REGIONAL OFFICE

2nd Floor, Garden Heights,
8Aibak Block, New Garden Town,
Lahore.

MILLS

Jumber Khurd Tehsil Chunnian Dist. Kasur

WEB PRESENCE

<http://www.gulshan.com.pk/corporate/gulistan.html>

CORPORATE VISION / MISSION STATEMENT

Vision

We aim at transforming PSML into a complete Textile unit to further explore international market of very high value products. Our emphasis would be on product and market diversification, value addition and cost effectiveness. We intend to fully equip the Company to acquire pioneering role in the economic development of the Country.

Mission

The Company should secure and provide a rewarding return on investment to its shareholders and investors, quality products to its customers, a secured and environment friendly place of work to its employees and present itself as a reliable partner to all business associates.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of **Gulistan Spinning Mills Limited** (the "Company") will be held at 2nd Floor Finlay House, I.I. Chundrigar Road, Karachi on **Tuesday 29th August, 2017 at 12:00 P.M.**, to transact the following business:

1. To confirm the minutes of the last Annual General Meeting of the Company.
2. To receive, consider and adopt the audited financial statements of the Company for the financial year ended on June 30, 2015 together with Directors' and Auditors' Reports thereon.
3. To appoint auditors of the company for the next financial year 2015-2016 and fix their remuneration. The retiring Auditors M/s Baker Tilly Mehmood Idress Qamar, Chartered Accountants, being eligible, have offered themselves for reappointment as Auditors of the company.
4. To transact any other business with the permission of the Chairman.

By Order of the Board

Muhammad Saleem Raza
Company Secretary

Lahore:
August 8, 2017

NOTES:

1. The share transfer books of the company will remain closed and no transfer of shares will be accepted for registration from **22nd August, 2017 to 29th August, 2017 (both days inclusive)**.
2. A member entitled to attend and vote at the general meeting may appoint any other member as proxy in writing to attend the meeting and vote on his/her behalf. Duly completed form(s) of proxy must be deposited with the Company at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. CDC Account Holders are requested to bring with them their CNIC along with participant I.D & their account number at the time of meeting in order to facilitate identification. In case of corporate entity, a certified BOD resolution/valid power of attorney with specimen signature of the nominee be produced at the time of meeting.
4. Members are requested to notify immediately changes of their addresses (if any) to our Shares Registrar M/s Hameed Majeed Associates (Pvt) Limited, Karachi Chamber, Hasrat Mohani Road, Karachi.

DIRECTOR'S REPORT TO SHAREHOLDERS

The Directors of your Company are pleased to place their report together with the Auditor's Report and audited Financial Statements of the Company for the year ended June 30, 2015 at the Annual General Meeting of Company.

Overview

The year under review has also been proved difficult period. Severe energy crises coupled with on-going financial impediments have obstructed the utilization of production capacities. The root cause for this underutilization had been non-availability of working capital facilities which were blocked by the banks/financial institutions unilaterally, and resultantly the Company could not efficiently purchase sufficient raw material to run the installed capacities at optimum level. This hindered the Company's plan to achieve the desired production targets which badly affected our sales turnover as well as profitability of the Company. In spite of the ongoing adverse eventualities the Management is making all possible efforts to keep the Mills of the Company operational.

The debt amortization profile, higher interest cost and associated liquidity problems have forced the Company to initiate restructuring of its debt obligations subject to reconciliation of financial obligations to ensure continued timely discharge of its commitments to its lenders. The Company has initiated the debt restructuring process with the help of the key lending financial institutions. In this regard leading law firm has been appointed as transaction lawyer and restructuring plan/terms are in process of finalization and majority of financial institutions have agreed in principle to the restructuring process. Once achieved it would improve the company's financial health and liquidity of the Company.

The Management is conscious of the issues that are affecting our operations and are committed to plans to turn Company into profitable entity by implementing the restructuring process for better financial position, strengthening our operations through proficient acumen, improving manufacturing processes and offering better service to our customers.

Operating & Financial Performance

Operating indicators	2015	2014
	(Rupees)	(Rupees)
Sales	-	316,169,386/-
Cost of goods sold	(218,483,763)/-	(399,217,128)/-
Financial cost	(9,821,331)/-	(5,897,274)/-
Pre tax Loss	(244,412,396)/-	(110,351,599)/-
Provision for taxation	(7,055,004)/-	13,058,558/-
Loss after taxation	(251,467,400)/-	(97,293,041)/-

Future Outlook

The Company's Management in order to offset the effect of increased power cost and Rupee devaluation is trying hard to utilize the production capacity to its optimum level.

The high cost of production resulting from higher cotton prices, rising energy costs, increasing prices of imported inputs due to depreciation of Pakistani rupee, double digit inflation, and prolonged power cuts are posing serious threats to textile sector. On these fronts the situation is expected to remain volatile in the future.

Going forward, the Company is focusing on strategy to consolidate its customer base, rationalize production volume and achieve pricing targets to increase profitability. Bottle neck in achieving these miles stones was non-availability of working capital lines. This impediment is expected to be over in near future as the restructuring process is expected to be completed soon and this would result in better utilization of production capacities. Once the ongoing reconciliation & restructuring process is completed, we would be in better position to embark upon timely better priced procurement of the required raw materials. To increase profitability and improve performance, wide ranging and significant measures are being implemented by the Company focusing on cost reduction and increase in margins.

DIRECTOR'S REPORT TO SHAREHOLDERS

Subsequent to the restructuring and other proposed measures mentioned above, the Management of your Company envisages for the continuing operations of the Company. With positive impact on finance costs, reduced costs, more effective management of resources and raw material procurement, the Company is expected to operate profitably, subject to impact, if any, of uncontrollable external circumstances including power crises and global market conditions.

Auditors' Observations

Auditors' Observation regarding going concern, the Management has approached the banks/financial institutions for speed up the process of negotiations and finalization of financial restructuring of its debts and is confident that outcome will be positive. It is worth noting that restructuring process is at advance stage and in this respect majority of the banks/financial institutions have agreed in principle to it. A Scheme of Arrangement by the Creditors is in process of finalization with the banks which is being drafted by the Transaction Lawyer and after its approval from Honourable Sindh High Court, a syndicated restructuring agreement is proposed to be executed between the Company and respective banks. According to restructuring terms all ongoing litigations by or against the Company will be withdrawn by the respective parties.

The Management is making utmost efforts to recover from the present financial crises and has made its best and maximum possible efforts to come out from the prevailing misfortunes. Reluctantly, the Management has to retrench most of their manpower strength and has taken steps towards resource conservations, effective utilizations of natural resources and raw materials. The Management therefore is of the view that after restructuring of debts going concern observation will be resolved.

Due to pending litigation in the High Court against the Company for recovery of amount, the Company has not provided accrued mark-up in these accounts. Consequently banks/financial institutions have not confirmed the amounts which are already disputed by the Company.

The Company is very hopeful that with reconciliation of amounts, release of security in post re-profiling scenario, the financial health of the Company will be improved which will enable the Company to purchase cost effective timely raw material, manage the resources properly, combat the pressures of local and global market and tackle with energy crises.

Corporate Governance

Your Company has been complying with the rules & regulations of Securities and Exchange Commission of Pakistan and has implemented better internal control policies with more rigorous checks and balances.

Board meetings and attendance

Four (4) meetings of the Board of Directors were held and attendance thereof by each director is as follows:

Name of Director	No of meeting attended
Mr. Tanveer Ahmed	4
Mr. Riaz Ahmed	4
Mr. Sohail Maqsood	4
Mr. Umer Hayat Gill (Retired on 31/03/2015)	2
Mr. Iftikhar Ali	4
Mr. Maqsood-ul-Haq	2
Mr. Ghulam Ali	1
Mr. Muhammad Yousaf	4
Mr. Muhammad Shafiq (Resigned on 01/01/2015)	0

Leaves of absence were granted to the members who could not attend the meetings.

Audit Committee

The Board of Directors of the Company in compliance with the Code of Corporate Governance has established an Audit Committee. Four (4) meetings of the Audit Committee were held and attendance thereof by each member is as follows:

Name of Members	No of meeting attended
Mr. GHULAM ALI	1
Mr. SOHAIL MAQSOOD	4
Mr. UMER HAYAT GILL	3

DIRECTOR'S REPORT TO SHAREHOLDERS

HR & Remuneration Committee

The Board of Directors of the Company in compliance with the Code of Corporate Governance has also established HR & Remuneration Committee. The names of its members are given in the Company information.

Internal Audit Function

The Board has implemented a sound and effective internal control system including operational, financial and compliance controls to carry on the business of the Company in a controlled environment in an efficient manner to address the Company's basic objectives.

Internal audit findings are reviewed by the Audit Committee, where necessary, action taken on the basis of recommendations contained in the internal audit reports.

Corporate Governance & Financial Reporting Framework

As required by the code of corporate governance, directors are pleased to report that:

- The financial statements prepared by the Management of the Company present fairly its true state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International accounting standards, as applicable in Pakistan have been followed in preparation of financial statements.
- The system of internal control is sound and has been effectively implemented and monitored.
- The Board is satisfied that there is no concern as regard to going concern under the Code and as duly explained in note 1.3 of Financial Statements.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the stock exchanges.
- Key operating and financial data for the last six years is annexed.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2015 except for those disclosed in the financial statements.
- No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year to which this Balance Sheet relates and the date of the Directors' Report, except for those disclosed in the financial statements.

Earnings/(Loss) Per Share

The loss per share of the Company for the period ended June 30, 2015 was Rs. (17.18) as compared to the previous year of Rs. (6.65)

Dividends

Due to circumstances discussed above, the Board of Directors does not recommend dividend for the year ended on June 30, 2015.

Code of Conduct

The code of conduct has been developed, communicated and acknowledged by each director and employees of the company.

Corporate Social Responsibility

Your company is responsible corporate citizen and fully recognizes its responsibility towards community, employees and environment.

DIRECTOR'S REPORT TO SHAREHOLDERS

Web presence

Annual and periodical financial statements of the Company are also available on the Company website www.gulshan.com.pk for information of the shareholders and others.

Related Party Transactions

The transactions between the related parties were made at Arm's Length prices determined in accordance with the "comparable uncontrolled price method". The Company has fully complied with the best practices on transfer pricing as contained in the listing regulations of stock exchanges in Pakistan.

Trading in Company's Shares

During the year under review the trading in shares of the Company by the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouse and minor children is as follows:

Name	Opening Balance as on 01.07.2014	Purchases	Sales	Closing Balance as on 30.06.2015
Mr.Maqsood -ul-Haq	NIL	500	NIL	500

Statement on Value of Staff Retirement Benefit

As on June 30, 2015 deferred liability for gratuity is Rs.2,897,478/-

Auditors

Messrs Baker Tilly Mehmood Idress Qamar, Chartered Accountants being eligible have offered themselves for re-appointment. The Audit Committee has also recommended their appointment as External Auditors of the Company for the next financial year 2015-2016.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2015 including the information under the code of corporate of governance is annexed.

Acknowledgement

Finally, the Board avail this opportunity to thank our valued customers and financial institutions whose faith and support over the years has fostered a mutually beneficial relationship which played a pivotal role in improving our products services and contributions to the economy.

The Board also wishes to place on record its appreciation for the employees members of management team for their efforts, commitment and hard work and to the shareholders for the trust and confidence reposed in it.

Lahore August 07, 2017

SOHAIL MAQSOOD
CHIEF EXECUTIVE

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Year Ended

June 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board of Directors. At present the Board of Directors includes five (5) non-executive directors.

Category	Names
Executive Directors	Mr. Muhammad Ashraf Khan and Mr. Sohail Maqsood
Non-Executive Directors	Mr. Abid Satar, Mr. Maqsood ul Haq, Mr. Muhammad Akhtar Mirza, Mr. Muhammad Maqbool Anjum and Mr. Muhammad Yousuf

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancies occurring in the Board during the period under review.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a Vision/Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the date on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and term and conditions of employment of the chief executive officer and executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
10. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
12. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
13. The Company has complied with all the corporate and financial reporting requirements of the CCG.

14. The Board has formed an audit committee. It comprises three members, of whom two are non-executive directors including the chairman of the committee
15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The board has formed an HR and Remuneration Committee. It comprises of three board members of whom two are non-executive directors and chairman of the committee is a non-executive director.
17. The board has set up an effective internal audit function who are considered suitably qualified and experience for the purpose and are conversant with the policies and procedures of the Company.
18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors' have confirmed that they have observed IFAC guidelines in this regard.
20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange..
21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
22. We confirm that all other material principles enshrined in the CCG have been complied with.

Lahore August 07, 2017

SOHAIL MAQSOOD
CHIEF EXECUTIVE



BAKER TILLY
MEHMOOD IDREES
QAMAR

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Lahore - Pakistan.
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**Review Report to the members
on statement of compliance with the Code of Corporate Governance**

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of Gulistan Spinning Mills Limited ("the Company") for the year ended June 30, 2015 to comply with the requirements of Listing Regulations No. 35 of the Pakistan Stock Exchange Limited (formerly Karachi and Lahore Stock Exchanges) where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statements on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirements to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statements of Compliance:

- i. During the year, no director of the Company has obtained certification under any director training program as required by clause (xi) of the Code.
- ii. No mechanism for annual evaluation of the Board's own performance has been put in place as required by sub-clause (e) of clause (v) of the Code. Subsequent to the year end, the Board discussed and agreed on the process of evaluation based on which it's evaluation would be completed in the ensuing year.
- iii. Although the Company has prepared a "Code of Conduct", however, the Company has not taken appropriate steps to disseminate it throughout the company along with its supporting policies and procedures.
- iv. The Company has not filed Secretarial Compliance Certificate with the registrar of the Companies as required by clause (xxii) of the Code.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statements of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

BAKER TILLY MEHMOOD IDREES QAMAR
Chartered Accountants
Name of Engagement Partner: Bilal Ahmed Khan

Lahore
Date: August 07, 2017



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BAKER TILLY MEHMOOD IDREES QAMAR

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AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Gulistan Spinning Mills Limited ("the Company") as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that, except for the matter stated in paragraph (c) below, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) as described in note 1.3 to the financial statements, the financial statements have been prepared on going concern basis. The Company has accumulated loss of Rs. 1,619.09 million as at June 30, 2015, shareholder's equity is negative by Rs. 1,447.7 million and as of that date the Company's current liabilities exceed its current assets by Rs. 1,674.9 million. The Company is facing operational and financial problems. Further, various banks and financial institutions have filed recovery suits against the Company as detailed in note 29.1.1 to the financial statements and the ultimate outcome of these suits can not presently be determined because these matters are pending before various courts. These events indicate a material uncertainty that may cause significant doubt on the Company's ability to continue as a going concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. In our opinion, the going concern assumption used in the preparation of these financial statements is inappropriate.
- (b) mark-up / interest on long term finances, lease finances and short term borrowings to the extent aggregating Rs. 572.93 million, including balance of Rs. 159.48 million for the current year, has not been accrued in these financial statements, thereby reducing shareholders' equity and current liabilities by Rs. 572.93 million, and reducing loss for the current year by Rs. 159.48 million as fully detailed in note 25.1 to the financial statements.
- (c) we have not received year end confirmations from banks and financial institutions in respect of bank balances aggregating Rs. 6.26 million (note 16.1) and short term borrowings aggregating Rs. 983.084 million (note 26.4). No confirmations have been received in respect of lease deposits (note 8.1), long term finances from banking companies (note 21 and 27), liabilities against assets subject to finance lease (note 22 and 27), payable against overdue letter of credit (note 24.2), and accrued mark-up / interest (note 25 and 14). Further, year end bank statements from various banks and financial institutions in respect of bank balances and short term borrowings were also not available.
- (d) in our opinion, except for the matters detailed in aforementioned paragraphs (b) and (c) proper books of account have been kept by the Company as required by the Companies Ordinance, 1984.
- (e) in our opinion:
 - (i) except for the matters detailed in aforementioned paragraphs (a) to (c) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditures incurred during the year were in accordance with objects of the Company
- (f) in our opinion, because of the significance of the matters discussed in paragraph (a) to (c), above, the financial statements do not present fairly the financial position of the Company as at June 30, 2015 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan and requirements of the Companies Ordinance, 1984.
- (g) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

BAKER TILLY MEHMOOD IDREES QAMAR
Chartered Accountants
Name of Engagement Partner: Bilal Ahmed Khan

Lahore
Date: August 07, 2017



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GULISTAN SPINNING MILLS LIMITED

BALANCE SHEET

AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	923,854,824	1,531,854,852
Long-term investments	7	13,769,021	10,735,485
Long-term deposits	8	2,780,500	2,780,500
		940,404,345	1,545,370,837
CURRENT ASSETS			
Stores, spare parts and loose tools	9	5,668,867	11,666,336
Stock-in-trade	10	93,522,390	232,264,378
Trade debts	11	11,859,249	23,037,535
Loans and advances	12	464,126	5,989,346
Trade deposits and short-term prepayments	13	4,772,463	12,081,245
Accrued mark-up / interest	14	13,676,707	13,052,447
Tax refunds due from Government	15	11,712,572	13,575,158
Cash and bank balances	16	6,439,467	5,325,857
		148,115,841	316,992,301
TOTAL ASSETS		1,088,520,186	1,862,363,138
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
15,000,000 (2014: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital	17	146,410,000	146,410,000
Reserves	18	24,983,168	24,998,903
Accumulated losses		(1,619,094,065)	(1,390,272,121)
		(1,447,700,897)	(1,218,863,218)
Surplus on revaluation of property, plant and equipment	19	376,966,815	777,043,007
Sub-ordinate loan	20	103,000,000	-
NON-CURRENT LIABILITIES			
Long-term financing	21	74,818,341	177,818,341
Liabilities against assets subject to finance lease	22	-	-
Deferred liabilities	23	158,336,023	340,273,708
		233,154,364	518,092,049
CURRENT LIABILITIES			
Trade and other payables	24	460,592,818	423,211,210
Accrued mark-up / interest	25	25,586,995	16,841,346
Short-term borrowings	26	1,145,119,665	1,147,576,253
Current portion of non-current liabilities	27	186,715,781	188,627,811
Provision for taxation	28	5,084,645	9,834,681
		1,823,099,904	1,786,091,300
CONTINGENCIES AND COMMITMENTS	29	-	-
TOTAL EQUITY AND LIABILITIES		1,088,520,186	1,862,363,138

The annexed notes from 1 to 48 form an integral part of these financial statements.

Sohail Maqsood
Chief Executive

M. Akhtar Mirza
Director

GULISTAN SPINNING MILLS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015 Rupees	2014 Rupees
Sales	30	-	316,169,386
Cost of sales	31	(218,483,763)	(399,217,128)
Gross loss		(218,483,763)	(83,047,742)
Distribution cost	32	-	320,478
Administrative expenses	33	9,862,519	26,927,179
Other expenses	34	12,694,500	187,208
		(22,557,019)	(27,434,865)
Loss from operations		(241,040,782)	(110,482,607)
Other income	35	6,449,717	6,058,009
Finance cost	36	(9,821,331)	(5,897,274)
		(244,412,396)	(110,321,871)
Share of loss of associated company		-	(29,728)
Loss before taxation		(244,412,396)	(110,351,599)
Taxation	37	(7,055,004)	13,058,558
Loss after taxation		(251,467,400)	(97,293,041)
Loss per share - basic and diluted	38	(17.18)	(6.65)

The annexed notes from 1 to 48 form an integral part of these financial statements.

Sohail Maqsood
Chief Executive

M. Akhtar Mirza
Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015**

	-2015 Rupees	2014 Rupees
Loss after taxation	(251,467,400)	(97,293,041)
Other comprehensive income:		
Items that can be reclassified to profit or loss accounts		
Unrealized loss on available for sale investment	-	(1,097)
Items that cannot be reclassified to profit or loss accounts		
Remeasurement recognized - gain	-	2,606,594
Total comprehensive loss for the year	<u>(251,467,400)</u>	<u>(94,687,545)</u>

The annexed notes from 1 to 48 form an integral part of these financial statements.

Sohail Maqsood
Chief Executive

M. Akhtar Mirza
Director

GULISTAN SPINNING MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(244,412,396)	(110,351,599)
Adjustments for:			
Depreciation		51,460,578	54,558,555
Provision for slow moving spares		5,668,870	-
NRV loss on stock - in - trade		138,741,989	-
Provision for doubtful debts		11,219,637	-
Provision for staff retirement benefits - gratuity		3,293,248	5,756,520
Share of loss of associated company		-	29,728
Finance cost		9,821,331	5,897,274
Gain on disposal of property, plant and equipment		(1,891,761)	(300,347)
Gain on cessation of equity method on association		-	(16,832)
Interest accrued		(4,557,956)	(1,340,705)
Cash flows before working capital changes		(30,656,461)	(45,767,406)
Net changes in working capital	39	52,365,445	86,589,588
Cash generated from operations		21,708,984	40,822,182
Finance cost paid		(1,699,942)	(1,500,260)
Staff retirement benefits - gratuity paid		(12,326,537)	(10,460,536)
Income tax paid		(4,750,036)	(1,818,495)
		(18,776,515)	(13,779,292)
Net cash used in operating activities		2,932,469	27,042,890
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(2,342,333)
Proceeds from sale of property, plant and equipment		1,041,074	350,000
Long - term - deposits		-	(1,507,500)
Interest received		1,508,685	381,737
Net cash used in investing activities		2,549,759	(3,118,096)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing from related party		-	74,818,341
Repayment of liabilities against assets subject to finance lease		(1,912,030)	(396,158)
Repayment of short-term borrowings - net		-	(98,614,538)
Net cash used in financing activities		(1,912,030)	(24,192,355)
Net increase / (decrease) in cash and cash equivalents during the year		3,570,198	(267,561)
Cash and cash equivalents at the beginning of year		2,245,346	2,512,907
Cash and cash equivalents at the end of year	41	5,815,544	2,245,346

The annexed notes from 1 to 48 form an integral part of these financial statements.

Sohail Maqsood
Chief Executive

M. Akhtar Mirza
Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015**

	Reserves			Total	
	Share capital	Share premium	Un realized loss on remeasurement of available for sale investment		Accumulated loss
Rupees					
Balance as at July 01, 2013	146,410,000	25,000,000	-	(1,386,387,904)	(1,214,977,904)
Surplus on revaluation of property plant and equipment realized during the year on account of incremental depreciation - net of tax	-	-	-	26,512,831	26,512,831
Share from associates of incremental depreciation - net of tax	-	-	-	23,541	23,541
Share of revaluation of property, plant & equipment realized on disposal of equity instrument	-	-	-	64,265,859	64,265,859
Unrealized gain on investment available for sale	-	-	(1,097)	-	(1,097)
Total comprehensive loss for the year	-	-	-	(94,686,448)	(94,686,448)
Balance as at June 30, 2014	146,410,000	25,000,000	(1,097)	(1,390,272,121)	(1,218,863,218)
Surplus on revaluation of property plant and equipment realized during the year on account of incremental depreciation - net of tax	-	-	-	24,986,025	24,986,025
Reversal of share from associates of incremental depreciation	-	-	-	(2,340,569)	(2,340,569)
Unrealized gain on investment available for sale	-	-	(15,735)	-	(15,735)
Total comprehensive loss for the year	-	-	-	(251,467,400)	(251,467,400)
Balance as at June 30, 2015	146,410,000	25,000,000	(16,832)	(1,619,094,065)	(1,447,700,897)

The annexed notes from 1 to 48 form an integral part of these financial statements.

Sohail Maqsood
Chief Executive

M. Akhtar Mirza
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

1 LEGAL STATUS AND OPERATIONS

- 1.1** Gulistan Spinning Mills Limited ("the Company") was incorporated in Pakistan on February 25, 1987 under the Companies Ordinance, 1984 as a public limited company and is quoted on stock exchanges at Karachi and Lahore (now Pakistan Stock Exchange Limited). The registered office of the Company is situated at 2nd Floor, Finlay House, I.I. Chundrigar Road, Karachi in the province of Sindh, Pakistan. The principal business of the company is to manufacture and sale of yarn. The manufacturing unit is located at District Kasur in the Province of Punjab.
- 1.2** The Board of Directors of the Company in its meeting held on April 05, 2011 approved the scheme of merger by amalgamation of Gulistan Spinning Mills Limited and Gulshan Spinning Mills Limited into Paramount Spinning Mills Limited along-with the approval of share swap ratio in relation thereto. The Company on orders of the Honourable Sindh High Court called Extra Ordinary General Meeting on August 01, 2011 in which the said scheme was approved by shareholders of the Company. No Objection Certificates from its creditors and lenders are pending for the said matter.

1.3 Going concern assumption

The Company has accumulated loss of Rs. 1,619.09 million as at June 30, 2015 and as at that date its current liabilities exceed its current assets by Rs. 1,674.9 million. This is mainly due to under utilization of capacity because of insufficiency of working capital lines. All the working capital lines and other finances have been blocked by respective banks and financial institutions due to litigations with these lenders as detailed in note 29.1.1 to the financial statements. These conditions along with other adverse key financial ratios and the pending litigations with the banking companies and financial institutions render the company unable to operate its manufacturing facilities in normal manners. This indicates existence of material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. These financial statements, however, have been prepared under the going concern assumption due to following reasons;

(i) Restructuring / rescheduling of existing debt / loan facilities availed by the Company

The Company along with its restructuring agent (a leading bank) and a few other lending banks, had proposed an indicative term sheet to its lending financial institutions on June 28, 2013 in order to restructure the outstanding debt obligations of the Company. The proposed term sheet is still in the process of finalization. Once finalized, it will be signed by all parties and legal documentation will be executed to restructure outstanding debts of the Company. Salient features of this indicative term sheet are as follows;

- the existing facilities will be restructured and consolidated into a long-term finance facility and aggregate principal outstanding will be repaid over 8 years. The sponsors will inject equity amounting Rs. 200 million within one year of the effective date of debt restructuring through sale of various assets. Balance of the outstanding facility amount will be repaid in instalments over a period of 8 years on quarterly basis as per the agreed repayment schedule;
- total accrued and outstanding mark-up due/payable till June 30, 2015 by the Company to its existing lenders will be repaid starting immediately after the expiry of 8 years time period of principal repayment on quarterly basis over a 2 years period (accrued mark-up period); and

- mark-up rate shall be 5.00% per annum (referred as beginning tenor mark-up) for the first 2 years of repayment tenor, however, a mark-up of 0.25% per annum shall be paid by the Company during the first two years of the beginning tenor mark-up period; whereas the remaining differential mark-up amount i.e. 4.75% shall be accumulated and paid thereafter quarterly, starting immediately after the accrued mark-up period. For the remaining 6 years of the restructured facility, mark-up shall be charged and repaid on quarterly basis at the rate of 5.00% per annum.

- (ii) the management has made arrangements whereby third party cotton is being processed against processing fee for utilization of unutilized capacity.
- (iii) the management has also undertaken adequate steps towards the reduction of fixed cost and expenses. Such steps include, but not limited to, right sizing of the man power, resource conservation, close monitoring of other fixed cost etc.

The indicative term sheet as referred above, has not been agreed upon to date, by majority of the lending financial institutions. Despite this, the management optimistically anticipates that in future all lending institutions would agree the proposed term, hence, this proposed restructuring along with the above-mentioned steps will not only bring the Company out of the existing financial crisis, but also contribute significantly towards the profitability of the Company in the foreseeable future. Therefore, these financial statements do not include any adjustment that might result, should the Company not being able to continue as a going concern.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain classes of property, plant and equipment which have been included at revalued/recoverable amounts, certain financial assets which are carried at fair values and staff retirement benefit which has been recognised at present value as determined by the management.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All financial information presented in Pak Rupee has been rounded-off to the nearest Rupee except stated otherwise.

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED DURING THE YEAR

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2015

The following standards, amendments and interpretations are effective for the year ended June 30, 2015. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 19 Employee Benefits: Employee contributions

Effective from accounting period beginning on or after July 01, 2014

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties that are linked to services to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognize the contribution as a reduction of the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service either using the plan's contribution formula or on a straight line basis; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service. Retrospective application is required.

Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities **Effective from accounting period beginning on or after January 01, 2014**

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". It will be necessary to assess the impact to the entity by reviewing settlement procedures and legal documentation to ensure that offsetting is still possible in cases where it has been achieved in the past. In certain cases, offsetting may no longer be achieved. In other cases, contracts may have to be renegotiated. The requirement that the right of set-off be available for all counterparties to the netting agreement may prove to be a challenge for contracts where only one party has the right to offset in the event of default.

IAS 36 Impairment of Assets - Recoverable amount disclosures for non-financial assets **Effective from accounting period beginning on or after January 01, 2014**

IAS 39 Financial Instruments: Recognition and measurement - Novation of derivatives and continuation of hedge accounting **Effective from accounting period beginning on or after January 01, 2014**

The amendment allows the continuation of hedge accounting (under IAS 30 and IFRS 9 chapter on hedge accounting) when a derivative is novated to a clearing counterparty and certain conditions are met.

IFRIC 21 - Levies **Effective from accounting period beginning on or after January 01, 2014**

IFRIC 21 defines a levy as a payment to a government for which an entity receives no specific goods or services. A liability is recognised when the obligating event occurs. The obligating event is the activity that triggers payment of the levy. This is typically specified in the legislation that imposes the levy.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization **Effective from accounting period beginning on or after January 01, 2016**

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendment to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset.

IAS 27 (Revised 2011) - Separate Financial Statements Effective from accounting period beginning on or after January 01, 2015. IAS 27 (Revised 2011) will concurrently apply with IFRS 10.

IAS 28 (Revised 2011) - Investments in Associates and Joint Ventures Effective from accounting period beginning on or after January 01, 2015

Similar to the previous Standard, the new Standard deals with how to apply the equity method of accounting. However, the scope of the revised Standard has been changed so that it covers investments in joint ventures as well because IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting.

IFRS 10 - Consolidated Financial Statements Effective from accounting period beginning on or after January 01, 2015. Earlier adoption is encouraged.

IFRS 11 - Joint Arrangements Effective from accounting period beginning on or after January 01, 2015

IFRS 12 - Disclosure of Interests in Other Entities'- IFRS 11 - Joint Arrangements Effective from accounting period beginning on or after January 01, 2015

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 First Time Adoption of International Financial Reporting Standards
- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral accounts
- IFRS 15 Revenue from Contracts with Customers

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgements were exercised in application of accounting policies are as follows;

- (i) Estimate of useful lives, residual values of property, plant and equipment and recoverable values to account for impairment loss (note 5.1 and 5.15);
- (ii) Net realisable values of stores, spares and loose tools and stock-in-trade (notes 5.6 and 5.7);
- (iii) Provision for impairment of trade debts (note 5.14);
- (iv) Provision for staff retirement benefit (note 5.8); and
- (v) Provision for taxation (note 5.9).

5 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

5.1 Property, plant and equipment - owned

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses with the exception of free hold land which is measured at revalued amount less accumulated impairment losses, buildings, power houses, electric installation, factory installation, factory equipment, air conditioner and lease hold power house which are measured at revalued amount less accumulated depreciation and accumulated impairment losses.

Capital work in progress is stated at cost less any identified impairment loss. Transfers are made to relevant fixed assets category as and when assets are available for use.

Cost of items of property, plant and equipment comprises purchase price, including import duties and non refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation. Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the company and the cost of renewal or improvement can be measured reliably. The cost of day to day servicing of property, plant and equipment are recognized in profit and loss as incurred.

Surplus arising on revaluation of an item of property, plant and equipment is credited to surplus on revaluation of property, plant and equipment, except to the extent that it reverses deficit on revaluation of the same assets previously recognized in profit and loss, in which case the surplus is credited to profit and loss to the extent of deficit previously charged to income. Deficit on revaluation of an item of property, plant and equipment is charged to profit and loss to the extent that it exceeds the balance, if any held in surplus on revaluation of property, plant and equipment relating to previous revaluation of that item. On subsequent sale or retirement of revalued item of property, plant and equipment, the attributable surplus net of deferred tax, if any, remaining in the surplus on revaluation of property, plant and equipment is transferred directly to unappropriated profit. An amount equal to incremental depreciation, being the difference between the depreciation based on revalued amounts and that based on original cost, net of deferred tax, if any, is transferred from surplus on revaluation of property, plant and equipment to unappropriated profit every year.

Depreciation on all items of property, plant and equipment except for freehold land is charged to profit and loss applying the reducing balance method over the useful life of each item at the rates specified in the respective note. Depreciation on additions is charged from the day on which the asset is available for use, while on disposals depreciation is charged up to the date of disposal or when the item is classified as held for disposal.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with expected pattern of economic benefits from items of property, plant and equipment.

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the assets) is recognized in profit and loss in the year in which the asset is derecognized.

5.2 Accounting for leases and assets subject to finance lease**Finance lease**

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are initially recognized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss. The related rental obligations, net off finance cost, are included in liabilities against assets subject to finance lease.

Lease payments are allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to income over the lease term.

Assets acquired under a finance lease are depreciated in the same manner and at the same rates used for similar owned assets, so as to depreciate these assets over their estimated useful lives in view of certainty of ownership of these assets at the end of lease term. Depreciation of the leased assets is charged to income.

Operating lease

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as a operating lease. Payments made under operating lease are charged to the income on straight line basis over the period of lease.

5.3 Non-current assets classified as held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated once classified as held for sale. Assets classified as held for sale and liabilities directly associated with the assets classified as held for sale to be presented separately in the balance sheet. Any Impairment loss on reclassification is recognized in the profit and loss account and any gain on disposal is also recognized in profit and loss account.

5.4 Investments

Regular way purchase or sale of investments

All purchases and sales of investments are recognized using trade date accounting. Trade date is the date that the Company commits to purchase or sell the investment.

Investments in equity instruments of associated companies

Investments in associated companies are accounted for by using equity basis of accounting, under which the investments in associated companies are initially recognised at cost and the carrying amounts are increased or decreased to recognise the Company's share of profit or loss of the associated companies after the date of acquisition. The Company's share of profit or loss of the associated companies is recognised in the Company's profit or loss. Distributions received from the associated companies reduce the carrying amounts of investments.

Adjustments to the carrying amounts are also made for changes in the Company's proportionate interest in the associated companies arising from changes in the associated companies' equity that have not been recognised in the associated companies' profit or loss. The Company's share of those changes is recognised directly in equity of the Company. Where Company's share of losses of associated companies equals or exceeds its interest in the associates, the Company discontinues recognizing its share of further losses except to the extent that Company has incurred legal or constructive obligation or has made payment on behalf of the associates. If the associates subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profit equals the share of losses not recognised.

Available for sale investments

These investments are initially measured at their fair value plus directly attributable transaction cost and at subsequent reporting dates, measured at fair values and gains or losses from changes in fair values other than impairment loss are recognized in other comprehensive income until disposal at which time these are recycled to profit or loss. Impairment loss on investments available for sale is recognized in the profit or loss.

Other investments

Other Investments like defence saving certificates are held to maturity. Interest is accrued on these investments according to the rate provided by the issuer.

All investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

5.5 Long-term deposits

These are stated at cost which represents the fair value of consideration given.

5.6 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of cost and net realizable value. Cost is determined by moving average method less provision for obsolescence. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

5.7 Stock-in-trade

These are valued at lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows;

Raw material

In hand

Weighted average cost

In transit

Cost comprising invoice value plus other charges incurred thereon

Finished goods and work in process

Raw material cost plus appropriate manufacturing overheads

Waste

Net realizable value

Net realizable value signifies the estimated selling prices in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sales.

5.8 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering for all its permanent employees who have completed the minimum qualification period for entitlement to the gratuity.

Provision is made annually to cover the obligation on the basis of actuarial valuation and charged to income currently. Expense comprising of current service cost and interest cost is recorded in profit and loss account, whereas any remeasurements due to actuarial assumptions are charged to other comprehensive income as and when they arise.

5.9 Taxation

Income tax expense represents the sum of current tax payable, adjustments, if any, to provision for tax made in previous years arising from assessments framed during the year for such years and deferred tax.

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credit and tax rebates available, if any. The charge for current tax includes any adjustment to past years liabilities.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognised for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognised for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date.

5.10 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognised and only disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

5.11 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to income in the period in which they are incurred.

5.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis;

- Local sales are recognised on dispatch of goods to customers and export sales are recognised
- Dividend income from the investments is recognised, when the Company's right to receive dividend has been established.
- Mark-up on loans to related parties and profit on saving accounts is accrued on time basis, by reference to the principal outstanding and at the effective profit rate applicable.

5.13 Foreign currency translations

Transactions in foreign currencies are translated into Pak Rupee, using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee at the exchange rates prevailing at the reporting date. All arising exchange gains and losses are recognised in the profit and loss account.

5.14 Financial instruments

Non-derivative financial assets

The Company classifies non-derivative financial assets as available for sale (note 7.2), loans and other receivables. Loans and receivables comprise investments classified as loans and receivables, cash and cash equivalents and trade and other receivables.

Trade debts, other receivables and other financial assets

Trade debts and other receivables are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using effective interest method, less any impairment losses. Known bad debts are written off, when identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts, bank overdraft and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

Non-derivative financial liabilities

The Company initially recognizes non derivative financial liabilities on the date that they are originated or the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

These financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Non-derivative financial liabilities comprise mark-up bearing borrowings including obligations under finance lease, bank overdrafts and trade and other payables.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or to realise the asset and settle the liability simultaneously.

5.15 Impairment loss

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the profit and loss account and in case revalued assets are tested for impairment, then impairment loss up to the extent of revaluation surplus shall be recognised in revaluation surplus and remaining loss, if any shall be recognized in profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

5.16 Related party transactions

All transactions with related parties are carried out by the company at arms' length price using the method prescribed under the Companies Ordinance, 1984 (comparable uncontrolled price method) with the exception of loan taken from related parties which is interest / mark-up free.

5.17 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

	Note	2015 Rupees	2014 Rupees
6 PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment	6.1	<u>923,854,824</u>	<u>1,531,854,852</u>

	Owned assets											Leased assets			Total		
	Freehold land	Building on freehold land	Plant and machinery	Power House	Electric installation	Factory equipment	Air conditioning plant	Telephone installations	Office equipment	Furniture and fixtures	Arms and ammunitions	Vehicles	Power house	Vehicles			
Cost																	
Balance as at July 01, 2013	121,888,000	326,175,471	806,764,530	28,160,000	92,496,164	92,259,999	103,000,000	160,000	4,752,335	4,378,524	6,230	10,945,035	60,000,000	10,323,000	10,323,000	1,661,309,288	
Addition during the year			1,842,284		410,000				90,049							2,342,333	
Disposal												(560,000)				(560,000)	
Balance as at June 30, 2014	121,888,000	326,175,471	806,764,530	28,160,000	94,338,448	92,669,999	103,000,000	160,000	4,842,384	4,378,524	6,230	10,385,035	60,000,000	10,323,000	10,323,000	1,663,091,621	
Balance as at July 01, 2014	121,888,000	326,175,471	806,764,530	28,160,000	94,338,448	92,669,999	103,000,000	160,000	4,842,384	4,378,524	6,230	10,385,035	60,000,000	10,323,000	10,323,000	1,663,091,621	
Addition during the year																	
Disposal												(4,167,000)				(4,167,000)	
Transfer / adjustment												4,167,000				(4,167,000)	
Balance as at June 30, 2015	121,888,000	326,175,471	806,764,530	28,160,000	94,338,448	92,669,999	103,000,000	160,000	4,842,384	4,378,524	6,230	10,385,035	60,000,000	6,156,000	6,156,000	1,658,924,621	
Depreciation																	
Balance as at July 01, 2013		8,154,387	20,163,939	1,126,400	4,411,954	9,226,000	10,300,000	147,247	2,477,705	3,109,765	5,530	9,828,860	2,400,000	5,836,774	5,836,774	77,188,561	
Charge for the year		7,950,527	19,665,015	1,081,344	4,466,740	8,341,367	9,270,000	1,275	232,410	126,876	70	221,686	2,304,000	897,245	897,245	54,558,555	
Depreciation on disposal												(510,347)				(510,347)	
Balance as at June 30, 2014		16,104,914	39,828,954	2,207,744	8,878,694	17,567,367	19,570,000	148,522	2,710,115	3,236,641	5,600	9,540,199	4,704,000	6,734,019	6,734,019	131,236,769	
Balance as at July 01, 2014		16,104,914	39,828,954	2,207,744	8,878,694	17,567,367	19,570,000	148,522	2,710,115	3,236,641	5,600	9,540,199	4,704,000	6,734,019	6,734,019	131,236,769	
Charge for the year		7,751,764	19,173,389	1,038,090	4,272,988	7,510,263	8,343,000	1,148	213,227	114,188	63	168,967	2,211,840	661,651	661,651	51,460,578	
Depreciation on disposal												(2,672,752)				(2,672,752)	
Transfer / adjustment												2,672,752				(2,672,752)	
Rate of depreciation		2.5%	2.5%	4%	5%	10%	10%	10%	10%	10%	10%	20%	4%	20%	20%		
Balance as at June 30, 2015		23,856,678	59,002,943	3,245,834	13,151,682	25,077,630	27,913,000	149,670	2,923,342	3,350,829	5,663	9,709,166	6,915,840	7,422,918	7,422,918	180,024,595	
Written down value as at June 30, 2014	121,888,000	310,070,557	766,935,576	25,952,256	85,459,754	75,102,632	83,430,000	11,478	2,132,269	1,141,883	630	844,836	55,296,000	3,588,981	3,588,981	1,531,854,852	
Written down value as at June 30, 2015	121,888,000	302,318,793	747,762,187	24,914,166	81,186,766	67,592,369	75,087,000	10,330	1,919,042	1,027,695	567	675,869	53,084,160	1,433,082	1,433,082	1,478,900,026	
Impairment loss charged during the year (note 19.1.2)		30,231,879	373,881,093	12,457,083	40,593,383	33,796,184	37,543,500						26,542,080			555,045,202	
Written down value as at June 30, 2015	121,888,000	272,086,914	373,881,094	12,457,083	40,593,383	33,796,185	37,543,500	10,330	1,919,042	1,027,695	567	675,869	26,542,080	1,433,082	1,433,082	923,854,824	

6.1

GULISTAN SPINNING MILLS LIMITED

	Note	2015 Rupees	2014 Rupees
6.2 Depreciation charge has been allocated as follows;			
Cost of sales		50,302,545	53,080,338
Administrative expenses		1,158,033	1,478,217
		<u>51,460,578</u>	<u>54,558,555</u>

6.3 The Company revalued its freehold land, buildings on freehold land, plant and machinery, power house, electric installation, factory equipment and air conditioning plant on June 30, 2012. Had the property, plant and equipment been recognised under the cost model, the carrying amount of each revalued class of property, plant and equipment would have been as follows;

	Note	2015 Rupees	2014 Rupees
Owned assets			
Freehold land		3,180,032	3,180,032
Buildings on freehold land		60,718,201	62,275,078
Plant and machinery		253,698,729	260,203,825
Power house		19,623,192	20,440,825
Electric installation		32,545,688	34,258,619
Factory equipment		12,680,607	14,089,563
Air conditioning plant		498,584	553,982
		<u>382,945,033</u>	<u>395,001,924</u>
Leased assets			
Power houses		27,901,384	29,063,942
		<u>410,846,417</u>	<u>424,065,866</u>

6.4 The detail of property, plant and equipment disposed off is as follows;

Particulars of Assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of Disposal	Particulars of purchasers
Vehicles							
Toyota Corolla XLi	1,239,000	958,108	280,892	1,041,074	760,182	Negotiaiton	Mr. Arshad
Toyota Corolla GLi	1,529,000	895,386	633,614	1,250,000	616,386	Negotiaiton	Mr. Akhtar Ali Baloch
Toyota Corolla XLi	1,399,000	819,258	579,742	1,094,935	515,193	Negotiaiton	Sayed Waqas Hussain Shah
	<u>4,167,000</u>	<u>2,672,752</u>	<u>1,494,248</u>	<u>3,386,009</u>	<u>1,891,761</u>		

	Note	2015 Rupees	2014 Rupees
7 LONG-TERM INVESTMENTS			
Investment in associate - under equity method	7.1	-	-
Other investments - available for sale	7.2	-	15,735
Defence saving certificates	7.3	13,769,021	10,719,750
		<u>13,769,021</u>	<u>10,735,485</u>
7.1 Investments in associates - under equity method			
Quoted companies			
Gulistan Textile Mills Limited	7.1.1	-	-
Gulshan Spinning Mills Limited	7.1.2	-	-
Unquoted companies			
Gulshan Weaving Mills Limited	7.1.3	-	-
		<u>-</u>	<u>-</u>

	2015 Rupees	2014 Rupees
7.1.1 Gulistan Textile Mills Limited (GTML)		
1,049 (2014: 1,049) ordinary shares of Rs. 10 each - cost	116,042	116,042
Equity held 0.0055% (2014: 0.0055%)		
Share of post acquisition losses	(442,569)	(442,569)
Share of surplus on revaluation of property, plant and equipment	326,527	326,527
	(116,042)	(116,042)
Fair value adjustment on cessation of equity method of investment	-	16,832
Transferred to 'Other investments - available for sale'	-	(16,832)
Carrying value of shares	-	-

During the year ended June 30, 2014 the companies ceased to be associated due to the elimination of cross equity, direct and indirect, investment within the group of companies. The investment was previously accounted for under the equity method of accounting in line with the requirements of International Accounting Standard (IAS), 28 "Investment in Associates and Joint Ventures". After the elimination of cross equity, direct and indirect, investment the company ceased to have any significant influence over the investee and has categorized the remaining investment under "Other investments - available for sale".

	2015 Rupees	2014 Rupees
7.1.2 Gulshan Spinning Mills Limited (GSML)		
10,303 (2014: 10,303) ordinary shares of Rs. 10 each - cost	238,887	238,887
Equity held 0.046% (2014: 0.046%)		
Accumulated share of post acquisition profit	(1,133,913)	(1,104,185)
Share of (loss) / profit for the year	-	(29,728)
Share of surplus on revaluation of property, plant and equipment	1,146,108	1,146,108
	12,195	12,195
	251,082	251,082
Impairment charged on investment Opening Balance	(251,082)	(251,082)
Charged / (adjusted) in the year	-	-
Carrying value of shares	(251,082)	(251,082)

The impairment charge represents the writing down of the carrying value of the investment to its recoverable amount in accordance with the International Accounting Standard (IAS) 36, Impairment Of Assets. The recoverable amount is the higher of fair value less cost to sell or the value in use. The recoverable amount has been calculated as the value in use which equates to Rs. Nil (2014: Rs. Nil) per share aggregating to Rs. Nil (2014: Rs. Nil/-) after considering the company's share of present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment as opposed to the fair value less cost to sell. Principal assumptions and critical judgements regarding the valuation of the investment have been discussed in note of the financial statements.

GULISTAN SPINNING MILLS LIMITED

The market value of investment in Gulshan Spinning Mills Limited is Rs. Nil (2014: Rs. 35,030/-) as the equity of the company is negative.

	Note	2015 Rupees	2014 Rupees
7.1.3 Gulshan Weaving Mills Limited (GWML)			
778,900 (2014: 778,900) ordinary shares of Rs. 10 each - cost		7,789,000	7,789,000
Equity held 3.64% (2014: 3.64%)			
Accumulated share of post acquisition profit		(29,746,252)	(29,746,252)
Share of surplus on revaluation of property, plant and equipment		63,939,332	63,939,332
		34,193,080	34,193,080
		41,982,080	41,982,080
Impairment charged on investment			
Opening Balance		(41,982,080)	(41,982,080)
Charged / (adjusted) in the year		-	-
		(41,982,080)	(41,982,080)
Transferred to 'Other investments - available for sale'		-	-
Carrying value of shares		-	-

As the equity of company is negative, the investment as at June 30, 2015 is being valued Nil (2014: Rs. Nil)

The impairment charge represents the writing down of the carrying value of the investment to its recoverable amount in accordance with the International Accounting Standard (IAS) 36, Impairment Of Assets. The recoverable amount is the higher of fair value less cost to sell or the value in use. The recoverable amount has been calculated as the value in use which equates to Rs. Nil (2014: Rs. Nil) per share aggregating to Rs. Nil- (2014: Rs. Nil/-) after considering the Company's share of present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment as opposed to the fair value less cost to sell. Principal assumptions and critical judgements regarding the valuation of the investment have been discussed in note 42 of the financial statements.

During the year ended June 30, 2014 the companies seized to be associated due to the elimination of cross equity ,direct and indirect, investment within the group of companies. The investment was previously accounted for under the equity method of accounting in line with the requirements of International Accounting Standard (IAS), 28 "Investment in Associates and Joint Ventures". After the elimination of cross equity ,direct and indirect, investment the company ceased to have any significant influence over the investee and has categorized the remaining investment under "Other investments - available for sale".

7.1.4 Summarized financial information of the associated company as at June 30, based on unaudited financial statements is as follows;

	Note	2015 Rupees	2014 Rupees
Gulshan Spinning Mills Limited			
Liabilities		4,296,912,268	4,750,438,756
Assets		4,296,912,268	4,750,438,756
Revenue		24,761,805	991,069,459
Loss after tax		489,513,982	202,745,411

GULISTAN SPINNING MILLS LIMITED

	Note	2015 Rupees	2014 Rupees
7.2 Other investments - available for sale			
Gulistan Textile Mills Limited		-	15,735
Gulistan Textile Mills Limited			
Opening Balance		15,735	-
Transferred from investments in associates - under equity method	7.1.1	-	16,832
Fair value adjustment		(15,735)	(1,097)
		-	15,735

The market value of investment in Gulistan Textile Mills Limited as at year end is not available as trading in shares of the company has been suspended on the stock exchanges for the time being. The fair value adjustment is computed on the basis of latest available rates pertaining to June 30, 2013.

7.3 It represents investment in defence saving certificate purchased from the Government of Pakistan under ten years maturity scheme. The certificates are encashable at par at any time. However, no profit is paid if encashment is made before completion of one year. It carries effective rate of return 12.15% percent per annum. The certificates of investments are under lien regarding guarantees provided by various financial institutions.

	Note	2015 Rupees	2014 Rupees
8 LONG-TERM DEPOSITS			
Lease key money	8.1	3,122,112	3,324,012
Other security deposits	8.2	2,780,500	2,780,500
		5,902,612	6,104,512
Less: transfer to current assets	13	(3,122,112)	(3,324,012)
		2,780,500	2,780,500

8.1 These are interest free deposits given to various leasing companies, modarabas and banking companies. As detailed in note 29.1.1 of the financial statements that the company is in litigation with several banking companies and financial institutions and due to the pending litigations, but without prejudice to the Company's stance in the said litigations, the Company's financial arrangements with the banking companies and financial institutions are disputed and in line with the provisions of International Accounting Standard on Presentation of financial statements (IAS - 1), all liabilities under these lease agreements have been classified as current liabilities. Based on the above mentioned fact, lease deposits amounting Rs. 3.112 million relating to the lease liabilities have also been presented under the current assets. Due to on-going litigations the confirmation from financial institutions have not been received.

8.2 These are interest free refundable deposits and are not receivable in the next year.

	Note	2015 Rupees	2014 Rupees
9 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		7,808,531	7,808,531
Spare parts		4,166,097	4,166,097
Loose tools		656,857	656,857
Stores-in-transit		-	328,599
		12,631,485	12,960,085
Less: Provision for slow moving stores		(6,962,618)	(1,293,749.0)
		5,668,867	11,666,336

GULISTAN SPINNING MILLS LIMITED

	Note	2015 Rupees	2014 Rupees
10 STOCK-IN-TRADE			
Raw material	10.1	77,589,827	200,802,454.00
Finished goods	10.2	15,529,360	31,058,720.00
Waste		403,203	403,203.00
		<u>93,522,390</u>	<u>232,264,378</u>
10.1	Raw material stock costing Rs. 205,467,801 has been written down at their replacement cost of Rs. 77,589,827 (2014: Rs. 200,802,454). The amount charged to profit and loss in respect of stock written down to their replacement cost is Rs. 123,212,627 (2014: Rs. 4,665,346).		
10.2	Finished goods costing Rs. 33,463,221 has been written down at their net realizable value of Rs. 15,529,360 (2014: Rs. 31,058,720). The amount charged to profit and loss in respect of stocks written down to their net realizable value Rs. 15,529,360 (2014: Rs. 2,404,501).		
10.3	All of the current assets of the Company are under banks' charge as security of short-term borrowings (note 26.1). The Company filed a global suit in the Lahore High Court against all banks / financial institutions under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001. Further various banks and financial institutions have also filed suits before Banking Court, Sindh High Court and Lahore High Court for recovery of their financial liabilities through attachment and sale of Company's hypothecated / mortgaged / charged stocks and properties as fully explained in note 29.1.1.		
	Note	2015 Rupees	2014 Rupees
11 TRADE DEBTS - unsecured			
Considered good			
Gulshan Weaving Mills Limited- related party		11,859,249	11,859,249
Considered doubtful			
Yarn debtors		11,219,637	11,178,286
		23,078,886	23,037,535
Provision for doubtful debts		(11,219,637)	-
		<u>11,859,249</u>	<u>23,037,535</u>
12 LOANS AND ADVANCES - unsecured and considered good			
Advances to;			
Suppliers		-	5,114,703
Non executive staff		464,126	874,643
		<u>464,126</u>	<u>5,989,346</u>
13 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Short-term prepayments		1,194,254	8,157,233
Current portion of long-term deposits	8.1	3,122,112	3,324,012
Other receivables	13.1	456,097	600,000
		<u>4,772,463</u>	<u>12,081,245</u>
13.1	This represents an amount of Rs. 456,097 (2014: Rs. 600,000) receivable from Gulistan Textile Mills Limited on account of sale of fixed assets.		

GULISTAN SPINNING MILLS LIMITED

	Note	2015 Rupees	2014 Rupees
14 ACCRUED MARK-UP / INTEREST			
Interest accrued on			
PLS term deposits	14.1	349,994	349,994
Receivables from associated undertakings	14.2	13,326,713	12,702,453
		<u>13,676,707</u>	<u>13,052,447</u>
14.1	During the year Company has not charged any profit on term deposits because these are under lien regarding guarantees provided by various financial institutions and carry mark-up ranging from 5.6% to 10.50% (2014: 3.13 % to 12 %).		
14.2	These carry interest rate ranging from 11.29% to 12.77% (2014: 11.29% to 12.77%).		
	Note	2015 Rupees	2014 Rupees
15 TAX REFUNDS DUE FROM GOVERNMENT			
Export rebate		556,681	596,330
Advance income tax	15.1	-	-
Sales tax		11,155,891	12,978,828
		<u>11,712,572</u>	<u>13,575,158</u>
15.1 Advance Income tax			
Opening balance		-	1,818,495
Deducted during the year		4,750,036	1,818,495
		4,750,036	1,818,495
Adjusted against provision for taxation	28	(4,750,036)	(1,818,495)
Closing balance		-	-
		<u>-</u>	<u>-</u>
16 CASH AND BANK BALANCES			
Cash in hand		1,500	42,034
Balance with banks on;			
- current accounts		2,022,910	868,409
- saving accounts		52,687	53,044
- certificates of deposit		4,362,370	4,362,370
		<u>6,439,467</u>	<u>5,325,857</u>
16.1	Majority of the Company's bank accounts operations have been blocked by the respective banks due to on-going litigations with these banks as detailed in note 29.1.1 to the financial statements. Further, due to the litigation and blockage of bank accounts, bank statements and balance confirmation for the year ended June 30, 2015 from various banks having balances aggregating to Rs. 6,263,703 (2014: Rs. 5,038,756) is not available to ensure balances held with these banks.		
16.2	These are under lien regarding guarantees provided by various financial institutions and carry mark-up ranging from 5.6% to 10.50% (2014: 5.6% to 10.50%) per annum.		
17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
		2015 Rupees	2014 Rupees
2015 Numbers	2014 Numbers		
6,838,330	6,838,330	68,383,300	68,383,300
7,802,670	7,802,670	78,026,700	78,026,700
		<u>146,410,000</u>	<u>146,410,000</u>

GULISTAN SPINNING MILLS LIMITED

	Note	2015 Number	2014 Number
17.1 Ordinary shares held by the related parties at the year end:			
Paramount Spinning Mills Limited		202,777	202,777
18 RESERVES			
Capital reserve			
Share premium	18.1	25,000,000	25,000,000
Un-realized loss on remeasurement of available for sale investment		(16,832)	(1,097)
		<u>24,983,168</u>	<u>24,998,903</u>
18.1 This represents share premium received on 5,000,000 ordinary shares of Rs. 10 each issued in 1994 at a premium of Rs. 5 per share.			
	Note	2015 Rupees	2014 Rupees
19 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Surplus arisen on revaluation of:			
Company's property, plant and equipment	19.1	376,966,815	779,383,576
Property, plant and equipment of associates	19.2	-	(2,340,569)
		<u>376,966,815</u>	<u>777,043,007</u>
19.1 Balance at the beginning of the year	19.1.1	1,105,381,583	1,144,952,972
Transfer to unappropriated profit in respect of incremental depreciation on:			
- surplus on revaluation of property, plant and equipment		(24,986,025)	(26,512,831)
- related deferred tax liability		(12,306,550)	(13,058,558)
		<u>(37,292,575)</u>	<u>(39,571,389)</u>
Transfer in respect of impairment loss on property, plant and equipment:	19.1.2		
- surplus on revaluation of property, plant and equipment		(377,430,736)	-
- related deferred tax liability		(177,614,466)	-
		<u>(555,045,202)</u>	<u>-</u>
Surplus on revaluation at the end of the year - gross		513,043,806	1,105,381,583
Related deferred tax liabilities on:			
Revaluation at the beginning of the year		325,998,007	348,923,302
Effect of changes of rates enacted		-	(9,866,736)
Incremental depreciation on revalued assets		(12,306,550)	(13,058,558)
Impairment loss on revalued assets		(177,614,466)	-
		<u>136,076,991</u>	<u>325,998,007</u>
Surplus on revaluation at the end of the year - net of tax		<u>376,966,815</u>	<u>779,383,576</u>

19.1.1 This represents surplus over book values resulting from the revaluation of property, plant and equipment (free hold land) carried out on June 30, 2006, December 31, 2008 and February 03, 2009 by an independent valuer "Consultancy Support and Services". Further the company has incorporated a surplus on revaluation amounting to Rs. 1,108,315,411/- on freehold land, building on freehold land, plant and machinery and power house, electric installation, factory equipment, air conditioner and leased hold power house based on valuation report by an independent valuer "Maricon Consultants (Pvt.) Limited" in the year ended June 30, 2012. The valuation was based on fair value.

19.1.2 The management has reviewed the carrying amounts of the Company's property, plant and equipment at the reporting date and has identified circumstances indicating occurrence of impairment loss, which include but not limited to, physical damage, wear and tear, high idle capacity due to financial and operational difficulties, plant to dispose assets before previous expected date (see note 1.3 (i)) and evidence that economic performance of items of property, plant and equipment is worse than expected.

	Note	2015 Rupees	2014 Rupees
19.2 Balance at the beginning of the year		(2,340,569)	61,948,831
Share from associates of incremental depreciation - net of tax transferred to equity		-	(23,541)
Reversed during the year		2,340,569	
Surplus realized during the year		-	(64,265,859)
		-	(2,340,569)
		-	(2,340,569)

20 SUB-ORDINATED LOAN - unsecured

Sub-ordinated loan

20.1 103,000,000 -

20.1 This is an interest free loan obtained from Director of the Company in previous years, This loan is sub-ordinated to the finances provided by secured creditors and does not carry mark-up. The loan shall not be repaid without obtaining consent from the secured creditors.. During the year this loan has been reclassified in equity as per technical release (TR-32) of the Institute of Chartered Accountants of Pakistan (ICAP).

	Note	2015 Rupees	2014 Rupees
21 LONG-TERM FINANCING			
From banking company - secured			
Faysal Bank Limited	21.1	-	-
From financial institution company - secured			
PAIR Investment Company Limited	21.2	-	-
From related party - unsecured			
Director	20.1	-	103,000,000
Gulistan Fibres Limited	21.5	74,818,341	74,818,341
		<u>74,818,341</u>	<u>177,818,341</u>
21.1 Faysal Bank Limited			
Balance at beginning of the year		21,428,572	21,428,572
Payments made during the year		-	-
		<u>21,428,572</u>	<u>21,428,572</u>
Less: current portion:			
- over due instalments		(21,428,572)	(21,428,572)
Balance at end of the year		<u>-</u>	<u>-</u>

The short-term borrowing of the Company were converted into long-term finance loan of Rs. 30 million from Faysal Bank Limited during the financial year ended June 30, 2012. The loan was repayable in 4 years in 7 equal semi-annual instalments including the grace period of six month commencing from July 30, 2012. It is secured by way of demand promissory note of Rs. 48,757,339, first pari passu equitable mortgage and hypothecation charge on fixed assets of Company and memorandum of constructive deposit of title deeds amounting to Rs.100 Million. As an additional security measure the Sponsors/Directors loans was subordinated via formal subordination agreement. The loan carries mark-up at the rate of 3 month Kibor plus 2.5% per annum payable quarterly. The charge is commonly shared for short-term borrowing also as detailed in note 26.1.

21.2 PAIR Investment Company Limited

Balance at beginning of the year	150,000,000	150,000,000
Payments made during the year	-	-
	<u>150,000,000</u>	<u>150,000,000</u>
Less: current portion:		
- over due instalments	<u>(150,000,000)</u>	<u>(150,000,000)</u>
Balance at end of the year	<u>-</u>	<u>-</u>

During the year ended June 30, 2012 the Company obtained long-term facility of Rs. 150 million from PAIR Investment Company Limited (formerly Pak Iran Joint Investment Company Limited) for the debt swap and balancing, modernizing and replacement (BMR). The said loan was repayable in 5 year in 16 equal quarterly instalment including the grace period of 12 months commencing from June 30, 2013. The long-term facility carries mark-up rate of 3 month Kibor plus 350 bps.

The loan is secured by way of letter of hypothecation of Rs 467 million inclusive of margin of 25% over fixed asset of the Company and a letter of hypothecation of Rs. 267 million over current assets of the Company in favour of PAIR. These charges shall be subordinate to the existing charges created in favour of the existing creditors. The charge over the fixed assets shall be upgraded to pari passu charge ranking pari passu with the charges created in favour of the existing creditor within 90 day of the date of first draw down.

21.3 The Company filed a suit in the Honorable Lahore High Court against all banks / financial institutions under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 for rendition of accounts and demages and lending banks have also filed suits before different High Courts for recovery of their long term and short term liabilities through attachment and sale of Company's hypothecated / mortgaged / charged stocks and properties as fully disclosed in note 29.1.1. Due to these litigations, year-end confirmations amounting to Rs. 150 million from all lenders have not been received.

21.4 Due to the abovementioned litigations, the Company's financial arrangements with these banking companies are disputed and these liabilities have become payable on demand, so instalments due after the year ending June 30, 2015 have been grouped in current portion of non-current liabilities in accordance with the requirements of International Accounting Standard (IAS) 1 'Financial Statement Presentation'.

21.5 Gulistan Fibres Limited

Gulistan Fibres Limited	<u>74,818,341</u>	<u>74,818,341</u>
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This loan has been created in accordance with the settlement agreement and agreement to sell dated December 30, 2013 executed between Silk Bank Limited (the Lender), Gulshan Spinning Mills Limited (an Associated Company), Gulistan Spinning Mills Limited (an Associated Company), Gulistan Fibres Limited (an Associated Company) and the Company. As per these agreements, short term borrowings and outstanding bills payables aggregating Rs. 150.000 million of the Company have been adjusted by the Lender against mortgaged property of the Gulistan Fibres Limited, under the debt-property swap arrangement.

This loan is unsecured and repayable within period of two years from the date of creation i.e. April 18, 2014. This loan carries mark-up at the rate of 3 months KIBOR plus 2% plus 50 bps.

	Note	2015 Rupees	2014 Rupees
22 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Balance at beginning of the year		17,199,239	17,595,397
Less: Payments made during the year		(1,912,030)	(396,158)
		<u>15,287,209</u>	<u>17,199,239</u>
Less: current portion;			
Current maturity		1,224,136	724,927
Overdue instalment	22.2	14,063,073	15,975,103
Due after June 30, 2015	22.2	-	499,209
		<u>15,287,209</u>	<u>17,199,239</u>
Balance at end of the year		-	-

22.1 The Company had acquired plant and machinery and vehicles under finance lease arrangements from leasing companies, modaraba and banks. These liabilities, during the year, were subject to finance cost at the rates ranging from 7.00% to 16.77% (2014: 7.00% to 16.77%) per annum. The Company intends to exercise its option to purchase the leased assets upon completion of the lease term. The lease finance facilities are secured against title of the leased assets in the name of lessors.

22.2 The Company filed a suit in the Honorable Lahore High Court against all banks / financial institutions under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001. Further, various lessors have also filed suits before banking court and the Honorable Sindh High Court for recovery of lease finance through attachment and sale of charged properties as fully disclosed in note 29.1.1. Due to these litigations, year-end confirmations from all lessors have not been received.

22.3 Due to the abovementioned litigations, the Company's lease finance arrangements with lessors are disputed and these liabilities have become payable on demand, so instalments due after the year ending June 30, 2015 have been grouped in current portion of non-current liabilities in accordance with the requirements of International Accounting Standard (IAS) 1 'Financial Statement Presentation'.

22.4 Due to the facts explained in notes 22.2 and 22.3 above, the entire amounts of the lease finances have become payable on demand, therefore, the amount of future finance cost is not ascertainable as at June 30, 2015 and June 30, 2014. The disclosures of future minimum lease payments is prepared according to existing repayment schedules and provided only to comply with the disclosure requirement of IAS - 17 'Leases'. According to the existing repayment schedules, the future minimum lease payments under these lease finance agreements are due as follows;

	2015			2014		
	Minimum lease payments	Finance charges for future periods	Present value of minimum lease payments	Minimum lease payments	Finance charges for future periods	Present value of minimum lease payments
	Rupees			Rupees		
Payable within one year	16,199,304	912,095	15,287,209	17,589,376	889,346	16,700,030
Payable after one year but not later than five years				521,958	22,749	499,209
	<u>16,199,304</u>	<u>912,095</u>	<u>15,287,209</u>	<u>18,111,334</u>	<u>912,095</u>	<u>17,199,239</u>

	Note	2015 Rupees	2014 Rupees
23 DEFERRED LIABILITIES			
Staff retirement benefits - gratuity	23.1	2,897,478	14,275,702
Deferred taxation	23.2	155,438,545	325,998,007
		<u>158,336,023</u>	<u>340,273,708</u>
23.1 Staff retirement benefits - gratuity			
23.1.1 Movement in the net liability recognized in the balance sheet			
Net liability at beginning of the year		14,275,702	21,586,311
Charge to profit and loss account	23.1.3	3,293,248	5,756,520
Remeasurement recognised		-	(2,606,594)
Benefits paid during the year		(14,671,472)	(10,460,536)
Closing net liability		<u>2,897,478</u>	<u>14,275,702</u>
23.1.2 Movement in present value of defined benefit obligation			
Balance at beginning of the year		14,275,702	21,586,311
Current service cost		3,293,248	4,251,166
Interest cost		-	1,505,354
Remeasurements - gains		-	(2,606,594)
Benefits paid		(14,671,472)	(10,460,536)
Balance at end of the year		<u>2,897,478</u>	<u>14,275,702</u>
23.1.3 Expense recognized in the profit and loss account			
Current service cost		3,293,248	4,251,166
Interest cost		-	1,505,354
Net amount recognized in profit and loss account		<u>3,293,248</u>	<u>5,756,520</u>
23.1.4 Expense is allocated as follows;			
Cost of sales		2,280,000	3,840,174
Admin Expenses		1,013,248	1,916,346
Net amount recognized in profit and loss account		<u>3,293,248</u>	<u>5,756,520</u>
23.1.5 Actuarial valuation has been carried out as at June 30, 2014 using the "Projected Unit Credit Method" assuming a discount rate of 13.25% per annum, expected rate of increase in salaries at 12.25% per annum and average expected remaining working life time of employees is 5 (2014: 6) years.			
During the year the Company has not carried out actuarial valuation, hence, provision for gratuity is calculated on assumptions set forth in the actuarial valuation carried out for the previous reporting year.			
23.1.6 The management has not charged Rs. 2,241,293 as advised by the latest actuarial report for the year ended June 30, 2015. Since, no recent actuarial evaluation is available, expected charge for the year ending June 30, 2016 could not be disclosed.			

	Note	2015 Rupees	2014 Rupees
23.2 Deferred taxation			
The net liability for deferred taxation comprises timing differences relating to			
Taxable temporary differences (deferred tax liabilities)			
Accelerated tax depreciation - owned assets		98,562,972	96,715,717
Surplus on property, plant and equipment		283,706,171	325,998,007
Assets subject to finance lease		8,952,052	
Deductible temporary differences (deferred tax assets)			
Staff retirement benefits - gratuity		(927,193)	(5,571,157)
Provisions and allowances		(52,349,084)	(902,610)
Brought forward tax losses		-	(522,515,187)
Liabilities against assets subject to finance lease		(4,891,907)	
Impairment loss on property, plant and equipment		(177,614,466)	
		<u>155,438,545</u>	<u>(106,275,230)</u>
Opening balance		325,998,007	348,923,302
Charged / adjusted during the year			
Deferred tax expense for the year		7,055,004	(13,058,558)
Charge on Impairment of property, plant and equipment		(177,614,466)	-
Effect of changes of rates enacted		-	(9,866,736)
		<u>(170,559,462)</u>	<u>(22,925,294)</u>
Closing balance		<u>155,438,545</u>	<u>325,998,007</u>

23.2.1 Deferred tax asset in respect of the unused tax losses amounting Rs. 124,749,471 (2014: Rs. 106,251,074) has not been recognised in these financial statements, being prudent. The management of the Company is of view that recognition of deferred tax asset will be reassessed as at June 30, 2018.

	Note	2015 Rupees	2014 Rupees
24 TRADE AND OTHER PAYABLES			
Creditors	24.1	158,430,676	162,871,651
Foreign bills payable	24.2	53,946,422	53,946,422
Gulshan Spinning Mills Limited - related party		51,249,321	5,910,478
Advance from related parties		167,053,536	151,958,163
Advance from processing party		5,593,614	11,879,727
Accrued liabilities	24.3	14,608,857	35,983,956
Unclaimed dividend		619,529	619,529
Tax deducted at source		54,260	41,284
Other payable		9,036,603	-
		<u>460,592,818</u>	<u>423,211,210</u>

24.1 Creditors include Rs. 110,830,493 (2014: Rs. 110,830,493) against local LC payable. These amounts are overdue and under litigation with banking companies / financial institutions as disclosed in note 29.1.1. Financial institutions have not provided the confirmation of Rs. 40,837,774 (2014: Nil) despite of repeated requests.

24.2 The amount is denominated in US dollar. The outstanding amount as at June 30, 2015 is US \$ 546,293 (June 2014: US \$ 546,293) aggregating to PKR. 53,946,422 (2014: PKR. 53,946,422). These amounts are overdue and under litigation with banking companies / financial institutions as disclosed in note 29.1.1. Financial institutions have not provided the confirmation despite of repeated requests.

24.3 Accrued liabilities includes the amount of Electric duty payable amounting to Rs. 1,906,625/- (2014: Rs. 1,906,625/-). The Company has obtained stay order from Lahore High Court against the payment of electric duty to LESCO as detailed in note 29.1.3.

	Note	2015 Rupees	2014 Rupees
25 ACCRUED MARK-UP/INTEREST			
Mark-up / interest accrued on :			
- long-term financing from banking companies	25.1	-	-
- long-term financing from associated undertaking	25.2	10,384,147	2,002,625
- liabilities against assets subject to finance lease	25.1	-	-
- short-term borrowings	25.1	-	-
- payables to associated undertaking	25.3	15,202,848	14,838,721
		<u>25,586,995</u>	<u>16,841,346</u>

25.1 During the year ended June 30, 2015, the Company has not provided mark-up / interest on its long term finances, lease finances and short term borrowings to the extent of Rs. 21.71 million, Rs. .038 million and Rs. 137.73 million respectively (2014: Rs. 38.734 million, Rs. 0.088 million and Rs. 148.84 million respectively) due to pending litigations with the financial institutions as detailed in note 29.1.1. Further, as detailed in note 1.3, the management is in the process of finalisation of restructuring of its debts and as per indicative restructuring term sheet total accrued and outstanding mark-up due / payable till June 30, 2014 will be repaid on quarterly basis over a period of 2 years immediately after the completion of repayment term of principal i.e. 8 years. Un-provided mark-up / interest upto the balance sheet date aggregate to Rs. 572.93 million (2014: Rs. 413.44 million). This non-provisioning is in contravention with the requirements of IAS 23 - Borrowing Costs. The exact amount of un-provided mark-up / interest could not be ascertained because of non-availability of relevant information and documents due to on-going litigations with banks and financial institutions.

25.2 This amount represents markup payable to Gulistan Fibres Limited, an Associated Company, on long term loan as per note 21.5

25.3 This represents amount of mark-up payable to associated undertakings on balances due over the normal credit terms. The mark-up is charged on the basis of average borrowing rate of the lender, effective rate of 8.35% (2014: 13.11%).

	Note	2015 Rupees	2014 Rupees
26 SHORT-TERM BORROWINGS			
From banking companies and other financial institutions			
Short-term borrowings - secured	26.1	1,144,495,742	1,144,495,742
Bank overdraft	26.2	623,923	3,080,511
		<u>1,145,119,665</u>	<u>1,147,576,253</u>

26.1 The Company had obtained aggregate borrowing facilities of Rs. 1,307 million (2014: Rs. 1,307 million). Short-term borrowing are secured against charge of stocks with a margin of 10% to 25%, hypothecation, moveable and trade debts, work-in-process, stores, lien on export bills receivable, charge against fixed assets, current assets of the Company and personal guarantees of some of the directors. These carried mark-up at the rate of 11.29% to 12.40% (2014: 11.29% to 12.40%) per annum payable quarterly.

- 26.2 This represents cheques issued by the Company in excess of balance with banks which would have been presented for payments in subsequent period.
- 26.3 The abovementioned balances are against expired finance facilities and have not been renewed by the respective banks / financial institutions. These banks and financial institutions have filed suits before different Civil Courts, Banking Courts and High Courts for recovery of their financial liabilities through attachment and sale of Company's hypothecated / mortgaged / charged stocks and properties. The Company had also filed a suit in the Honorable Lahore High Court for redemption / release of security, rendition of accounts, recovery of damages, permanent injunction and ancillary reliefs as more fully detailed in note 29.1.1.
- 26.4 Year end balance confirmations aggregating Rs. 983,084,764 (2014: Rs. 718,379,410) of the lending banks / financial institutions have not been received due to above-mentioned litigation with them. Further, due to these litigations, bank statements for current financial year from all banks / financial institutions were also not available to ensure year end balances of these finance facilities.

	Note	2015 Rupees	2014 Rupees
27 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long-term finances			
Faysal Bank Limited	21.1	21,428,572	21,428,572
PAIR Investment Company Limited	21.2	150,000,000	150,000,000
Liabilities against assets subject to finance lease	22	15,287,209	17,199,239
		<u>186,715,781</u>	<u>188,627,811</u>
28 PROVISION FOR TAXATION			
Opening balance		9,834,681	11,653,176
Provided during the year		-	-
		<u>9,834,681</u>	<u>11,653,176</u>
Tax adjusted		(4,750,036)	(1,818,495)
Closing balance		<u>5,084,645</u>	<u>9,834,681</u>

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 Liabilities towards banks and financial institutions disclosed in note 21 ,22 ,24 ,25 and 26.

- (a) Various banks and financial institutions have filed recovery suits before the Banking Court - Karachi, the Honorable Sindh High Court and the Honorable Lahore High Court for recovery of their long term and short term liabilities and lease liabilities through attachment and sale of Company's hypothecated / mortgaged / charged stocks and properties. The aggregate amount of these claims is Rs. 1,705.85 million (2014: Rs. 1,750.85 million).

The management is strongly contesting the above mentioned suits on the merits as well as cogent factual and legal grounds available to the Company under the law. Since, all the cases are pending before various Courts therefore the ultimate outcome these cases can not be established.

(b) The Company filed a global suit in the Honorable Lahore High Court (LHC) against all banks / financial institutions under Section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 (the Ordinance) for redemption / release of security, rendition of accounts, recovery of damages, permanent injunction and ancillary reliefs. The LHC vide its interim order dated October 25, 2012 ordered not to disturb the present position of current assets and fixed assets of the Company and no coercive action shall be taken against the Company. The LHC through its order dated September 11, 2013 dismissed the case on legal grounds. The Company filed appeal before Divisional Bench of the LHC against the above-mentioned order. The Divisional Bench passed an order, dated November 27, 2013, that respondent banks will not liquidate the Company's assets and operation of impugned judgement and decree dated September 11, 2013 will remain suspended meanwhile.

29.1.2 The Company has not provided for Rs. 6.8 million (2014: Rs. 6.8 million) in respect of infrastructure cess levied by the Government of Sindh. The case was decided against the Company by a single judge of the Honorable Sindh High Court. The decision was challenged before a bench of same High Court and stay for collection of cess was allowed.

The Honorable Sindh High Court decided the case by declaring that the levy and collection of infrastructure fee prior to December 28, 2006 was illegal and ultra vires and after that it was legal. The Company filed an appeal in the Honorable Supreme Court of Pakistan against the above-mentioned judgement of the Honorable Sindh High Court. Further, the Government of Sindh also filed appeal against part of judgement decided against them.

The above appeals were disposed-off in May 2011 with a joint statement of the parties that, during the pendency of the appeals, another law come into existence which was not subject matter in the appeal, therefore, the decision thereon be first obtained from the High Court before approaching the Honorable Supreme Court of Pakistan with the right to appeal. Accordingly, the petition was filed in the Honorable Sindh High Court in respect of the above view. During the pendency of this appeal an interim arrangement was agreed whereby bank guarantees furnished for consignments cleared upto December 27, 2006 were returned and bank guarantees were furnished for 50% of the levy for consignment released subsequent to December 27, 2006 while payment was made against the balance amount.

As at June 30, 2015, the Company has provided bank guarantees aggregating Rs.8.95 million (2014: Rs. 8.95 million) in favour of the Excise and Taxation Department.

29.1.3 The Company has obtained stay order from Honourable Lahore High Court against the payment of electric duty to LESCO . However, an amount of Rs. Nil (2014: Rs. 1,906,625) had been provided in the accounts on account of electric duty.

29.1.4 The Bank of Punjab has filed a suit COS No. 50/ 2013 for recovery of Rs. 168.426 million on account of working capital facilities provided to the Company. The Company filed PLA No. 148-B/2013, in response to the summons issued by Honourable Lahore High Court. The learned counsel of defendant in application to leave for defence raised many questions i.e. legality of plaintiff's claim and the authority of person, who filed the suit. After due consideration of PLA filed by the Company, it was established that objections raised by the Company's learned counsel were baseless and unreasonable. The Honourable Lahore High Court dismissed the application and decreed in favour of the plaintiff bank to the extent of Rs. 159.286 million. The Company has filed appeal in the divisional bench of Honourable Lahore High Court, and the case is being contested on merit. The execution order of impugned judgement have not been received by the Company during the reporting period.

29.1.5 Askari Bank Limited has filed a suit COS No. 40/2013 for recovery of Rs. 148.25 million. The Company filed PLA No. 105-B /2013, in response to the summon issued by Honourable Lahore High Court. The Court refuted all objections raised by the Company's learned counsel, and dismissed their application for leave to defend. Section 10 (1) of Financial Institutions (Recovery of Finances) Ordinance, 2001, states that. "...the dismissal of the application for leave to defend means that all the allegations made in the plaint shall be deemed to be accepted and the banking court is obliged to pass a decree thereon". Therefore, the Honourable Banking Court decreed in favour of Plaintiff Bank, together with the costs of funds as contemplated by section 3 of above mentioned ordinance. The Company has filed appeal in the Divisional Bench of the Honourable Lahore High Court, and the case is still subjudice.

	Note	2015 Rupees	2014 Rupees
29.1.6 Bank guarantees issued on behalf of the company			
Sui Northern Gas Pipelines Limited		20,362,200	20,362,200
Director of Excise and Taxation		8,957,572	8,957,572
		<u>29,319,772</u>	<u>29,319,772</u>
29.2 Commitments			
There is no capital commitments as at June 30, 2015 (2014: Rs. Nil).			
30 SALES - NET			
Local sales - Yarn		-	152,487,917
- Waste		-	12,392,549
- Cotton/Fabric		-	16,291,103
- Processing		-	141,487,716
		-	322,659,285
Sales tax		-	(6,489,899)
		-	<u>316,169,386</u>
31 COST OF SALES			
Raw material written-off / consumed	31.1	123,212,627	115,121,624
Raw material sold		-	15,660,005
Packing material consumed		-	7,689,617
Stores and spare parts consumed	31.2	5,668,869	19,385,666
Fuel and power consumed		8,269,980	103,368,209
Salaries, wages and benefits	31.3	9,165,531	74,829,219
Insurance expense		4,262,664	94,816
Repair and maintenance		31,740	2,832,780
Depreciation	6.2	50,302,545	53,080,338
Others		2,040,447	1,447,609
		<u>202,954,403</u>	<u>393,509,883</u>
Finished stocks			
Stocks at beginning of the year		31,461,923	37,169,168
Stocks at end of the year		(15,932,563)	(31,461,923)
		<u>15,529,360</u>	<u>5,707,245</u>
		<u>218,483,763</u>	<u>399,217,128</u>
31.1 Raw material consumed			
Stocks at beginning of the year		200,802,454	200,932,369
Purchases		-	130,651,714
		<u>200,802,454</u>	<u>331,584,083</u>
Raw material sold		-	(15,660,005)
Stocks at beginning of the year		(77,589,827)	(200,802,454)
		<u>123,212,627</u>	<u>115,121,624</u>

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31.2 Store and spare parts consumed includes the provision for slow moving items amounting to Rs. 5,668,869 (2014: Rs. Nil-).

31.3 Salaries, wages and benefits include staff retirement benefits amounting to Rs. 2,280,000/- (2014: Rs. 3,840,174).

	Note	2015 Rupees	2014 Rupees
32 DISTRIBUTION COST			
Commission on local sales		-	71,478
Freight and handling - export		-	249,000
		-	320,478
33 ADMINISTRATIVE EXPENSES			
Directors' benefits		-	156,969
Staff salaries and benefits	33.1	4,902,477	14,141,513
Rent, rates and taxes		1,152,300	1,243,692
Printing and stationery		83,410	534,203
Postage and telephone		57,149	278,481
Electricity, gas and water		18,757	140,352
Repair and maintenance		18,290	154,235
Vehicles running and maintenance		182,292	1,504,014
Advertising		60,550	78,700
Traveling and conveyance		183,868	992,361
Legal and professional		370,000	4,482,500
Auditor's remuneration	33.2	1,042,100	1,042,100
Fee and subscription		436,155	219,534
Insurance		47,000	183,821
Depreciation	6.2	1,158,033	1,478,217
Others		150,138	296,487
		9,862,519	26,927,179
33.1 Staff salaries and benefits include staff retirement benefits amounting to Rs. 1,013,248/- (2014: Rs. 1,916,346/-).			
	Note	2015 Rupees	2014 Rupees
33.2 Auditor's remuneration			
Annual audit		805,200	805,200
Half yearly review		137,000	137,000
Compliance report on code of corporate governance		99,900	99,900
		1,042,100	1,042,100
34 OTHER EXPENSES			
Bad debt and other balances written off		12,694,500	187,208
35 OTHER INCOME			
Income from financial assets			
Profit on saving accounts		3,095,371	1,340,705
Foreign exchange gain		-	98,414
Interest on receivables from associated undertakings		1,462,585	4,301,711
Income from non-financial assets			
Gain on cessation of equity method on associates		-	16,832
Gain on sale of property, plant and equipment		1,891,761	300,347
		6,449,717	6,058,009

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	Note	2015 Rupees	2014 Rupees
36 FINANCE COST			
Mark-up / interest on:			
Long-term financing - related party		8,381,522	2,002,625
Liabilities against assets subject to finance lease		139,968	176,854
Short-term borrowings		-	1,885
Overdue payable balances of associated undertaking		364,127	2,394,389
Bank charges		935,714	1,321,522
		<u>9,821,331</u>	<u>5,897,274</u>
37 TAXATION			
Current	37.1	-	-
Deferred	23.2	(7,055,004)	13,058,558
		<u>(7,055,004)</u>	<u>13,058,558</u>
37.1	The provision of minimum tax under section 113 of the Income Tax Ordinance, 2001 has not been provided in these financial statements because the Company has suffered gross loss before depreciation and other inadmissible expenses. Numeric tax rate reconciliation is, therefore, not required.		
	Note	2015 Rupees	2014 Rupees
38 LOSS PER SHARE - BASIC AND DILUTED			
Loss after taxation		<u>(251,467,400)</u>	<u>(97,293,041)</u>
		----- Number of shares -----	
Weighted average number of ordinary shares outstanding during the period		<u>14,641,000</u>	<u>14,641,000</u>
		----- Rupees -----	
Loss per share - basic and diluted (Rupees per share)		<u>(17.18)</u>	<u>(6.65)</u>
There is no dilutive effect on the basic loss per share of the Company.			
39 CHANGES IN WORKING CAPITAL			
Decrease / (increase) in current assets:			
Stores, spare parts and loose tools		328,600	3,686,948
Stock-in-trade		-	5,837,159
Trade debts		(41,351)	43,087,820
Loans and advances		5,525,220	(3,334,545)
Trade deposits and short-term prepayments		7,308,782	(1,507,405)
Interest accrued		-	1,104,793
Tax refunds due from Government		1,862,586	1,767,681
		<u>14,983,837</u>	<u>50,642,451</u>
Increase in trade and other payables		<u>37,381,608</u>	<u>35,947,137</u>
		<u>52,365,445</u>	<u>86,589,588</u>

**40 REMUNERATION OF CHIEF EXECUTIVE OFFICER,
DIRECTORS AND EXECUTIVES**

No remuneration was paid to chief executive officer and directors. However, the monetary value of the benefit given to director is Rs. Nil (2014: Rs. 156,969). The remuneration paid to executives are as follows;

	Note	2015 Rupees	2014 Rupees
Remuneration		-	2,502,941
House rent allowance		-	876,029
Conveyance allowance		-	741,292
Medical allowance		-	250,294
Utilities allowance		-	125,147
		-	4,495,703
Number of persons		6	6

Non-executive directors are not given any remuneration and benefits.

	Note	2015 Rupees	2014 Rupees
41 CASH AND CASH EQUIVALENTS			
Cash in hand		1,500	42,034
Cash with banks			
- current accounts		2,022,910	868,409
- saving accounts		52,687	53,044
- certificates of deposit		4,362,370	4,362,370
		6,437,967	5,283,823
Bank overdraft		(623,923)	(3,080,511)
		5,815,544	2,245,346

42 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

42.1 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged or liability be settled between knowledgeable willing parties in an arm's length transaction. As at the reporting date, fair values of all financial instruments are considered to approximate their carrying amounts.

42.2 Methods of determining fair values

Fair values of financial instruments, with the exception of investment in associates, for which prices are available from the active market are measured by reference to those market prices. Fair values of financial assets and liabilities with no active market and those of investments in subsidiaries are determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market.

42.3 Discount/interest rates used for determining fair values

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve as at the reporting date plus an adequate credit spread.

42.4 Significant assumptions used in determining fair values

Fair values of financial asset and liabilities that are measured at fair value subsequent to initial recognition are determined by using discounted cash flow analysis. This analysis requires management to make significant assumptions and estimates which may cause material adjustments to the carrying amounts of financial assets and financial liabilities in future periods. These assumptions are not fully supportable by observable market prices or rates. The Company uses various significant assumptions for determining fair value of financial assets and liabilities and incorporates information about other estimation uncertainties as well.

42.5 Significance of fair value accounting estimates to the Company's financial position and performance

The Company uses fair value accounting for its financial instruments in determining its overall financial position and in making decisions about individual financial instruments. This approach reflects the judgement of the Company about the present value of expected future cash flows relating to an instrument. The management believes that fair value information is relevant to many decisions made by users of financial statements as it permits comparison of financial instruments having substantially the same economic characteristics and provides neutral basis for assessing the management's stewardship by indicating effects of its decisions to acquire, sell or hold financial assets and to incur, maintain or discharge financial liabilities.

43 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The company has exposure to the following risk from its use of financial statements;

- Credit risk,
- Liquidity risk and
- Market risk.

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the Company's risk management policies.

43.1 Credit risk,

43.1.1 Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the long term deposits, trade debts, trade deposits and other receivable, accrued mark-up and cash and bank balances. Out of total financial assets of Rs. 38.33 million (2014: 61.17 million), the financial assets which are subject to credit risk aggregate to Rs. 31.89 million (2014: 55.847 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows;

	Note	2015 Rupees	2014 Rupees
Long-term deposits		2,780,500	2,780,500
Trade debts		11,859,249	23,037,535
Trade deposits and other receivables		3,578,209	3,924,012
Accrued mark-up		13,676,707	26,104,894
Cash and bank balances		6,439,467	5,325,857
		38,334,132	61,172,798
43.1.2 Concentration of risk - Geographical dispersion			
Local debtors		11,859,249	23,037,535
43.1.3 Concentration of risk - Type of customer			
Yarn		11,859,249	23,037,535
43.1.4 Ageing of trade debts at the reporting date:			
Not past due		-	1,751,266
Past due 0 - 90 days		-	206,742
Past due 91 - 180 days		-	12,148,930
Past due 181 days - 1 year		-	775,650
More than one year		11,859,249	8,215,006
		11,859,249	23,097,594

43.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. The Company is facing difficulty in maintaining sufficient level of liquidity due to financial problems as all the banks and financial institutions have blocked / ceased their finance facilities and filed suits for recovery of these finances.

	2015			2014		
	Carrying amount	Due within one year	Due after one year	Carrying amount	Due within one year	Due after one year
Rupees						
Non - derivative						
Financial liabilities						
Long-term financing	74,818,341	74,818,341	74,818,341	349,246,913	95,195,592	254,051,321
Liabilities against asset subject to finance lease	15,287,209	15,287,209	15,287,209	17,199,239	16,677,281	521,958
Trade and other payables	460,538,558	460,538,558	460,538,558	423,169,926	423,169,926	-
Accrued mark-up / interest	25,586,995	25,586,995	25,586,995	16,841,346	16,841,346	-
Short -term borrowings	1,144,495,742	1,144,495,742	1,144,495,742	1,144,495,742	1,144,495,742	-
	1,720,726,845	1,720,726,845	1,720,726,845	1,950,953,166	1,696,379,887	254,573,279

In order to manage liquidity risk, the management along with its restructuring agent (a leading bank) and a few other banks are negotiating with banks / financial institutions for restructuring of principal and mark-up / interest and rescheduling of repayment terms as detailed in note 1.3 to the financial statements and the management envisages that sufficient financial resources will be available to manage the liquidity risk.

43.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30. The rates of mark-up have been disclosed in relevant notes to these financial statements.

43.3 Market risk.

Market risk is the risk that the value of the financial instruments may fluctuate as a result of changes market in interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities , supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

(a) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk on trade debts, borrowing and import of raw material and stores that are denominated in currency other than the respective functional currency of the company, primarily in U.S.\$. The currencies in which these transaction primarily denominated in U.S.\$ and Euro. The Company's exposure to foreign currency is as follows;

	US\$	Others	Rupees
Trade and other payables 2015	546,293	-	55,557,998
Trade and other payables 2014	546,293	-	53,946,422

The following significant exchange rates applied during the year;

	2015	2014	2015	2014
	Average rates		Reporting date rates	
US\$ to Rupee	101.40	103.96	101.7/101.5	98.75

Sensitivity analysis

At the reporting date, if Pak Rupee has strengthened by 10% against the U.S.\$ with all other variables held constant, loss for the year would have been increased/(decreased) by the amounts shown below mainly as a result of net foreign exchange gain/loss on translation of financial assets and liabilities.

	2015	2014
	Rupees	Rupees
Effect on loss for the year		
US Dollar to Rupees	1,611,576	(27,315)

The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the year and liabilities of the Company. The weakening of the Rupee against U.S Dollar would have had an equal but opposite impact on profit for the year. The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. Majority of the interest rate exposure arises from short and long-term borrowing from banks and term deposits in PLS saving accounts with banks. At the balance sheet date the interest rate profile of company's interest bearing financial instrument is as follows;

	2015	2014
	Rupees	Rupees
Fixed rate instruments		
Financial assets	13,769,021	10,719,750
Financial liabilities	-	-
Variable rate instruments		
Financial assets	4,415,057	4,415,414
Financial liabilities	1,161,694,981	1,161,694,981

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

Cash flow sensitivity analysis for variable rate instruments is not presented as the Company is not providing for mark-up / interest due to litigation with banks and financial institutions.

43.4 Fair value of financial assets and liabilities

As at June 30, 2015 the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values except investment in an Associated Company which is valued under equity method of accounting. Further, staff loans which are valued at their original cost less repayments.

	2015 Rupees	2014 Rupees
43.5 Off balance sheet items		
Bill discounted with recourse	-	-
Bank guarantees issued in ordinary course of business	<u>29,469,772</u>	<u>29,469,772</u>
43.6 The effective rate of interest / mark-up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.		

43.7 Capital risk management

The Company's prime objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change in the Company's approach to capital management during the year. Further, the Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance which the Company could not comply as at the reporting date.

	2015 Rupees	2014 Rupees
Borrowings	1,406,653,787	1,496,823,166
Equity	<u>(1,344,700,897)</u>	<u>(1,218,863,218)</u>
Total capital employed	<u>61,952,890</u>	<u>277,959,948</u>
Gearing ratio	<u>2270.5%</u>	<u>538.5%</u>

44 RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, directors of the Company, key management personnel, companies in which directors, key management personnel and close members of the families of the directors and key management personnel are interested. The Company, in the normal course of business, carries out transactions with various related parties. Remuneration of the key management personnel is disclosed in note 40. Amounts due from and to related parties are shown under receivables and payables. Other significant transactions with related parties are as follows:

Nature of transaction	2015 Rupees	2014 Rupees
Related parties due to significant influence		
Purchases	-	881,959
Sales	-	31,203,405
Interest expense	8,745,649	2,394,389
Interest income	1,462,585	4,301,711
Others - Sale of non current assets	-	560,000
Loan received	96,953,305	-
Interest received	838,326	-
Receipts	143,903	-

All material transactions with related parties are at arm's length.

	2015 Rupees	2014 Rupees
45 CAPACITY AND PRODUCTION		
Number of spindles installed	24,096	24,096
Number of spindles on the basis of shifts worked	-	12,640,903
Number of shifts worked	-	2 to 3
Installed capacity in kilograms after conversion into 20/s counts	Kg. -	8,029,854
Actual production of yarn in kilograms after conversion into 20/s counts	Kg. -	2,040,769
All counts production	-	2,150,938

45.1 The Company has not carried out any operations during the current reporting financial year due to the the circumstances disclosed in note 1.3 resulting in cessation of operations.

45.2 It is difficult to precisely describe production capacity and the resultant production in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed, twist etc.

45.3 Severe energy crisis in the form of unscheduled and unprecedented gas and electricity load shedding catastrophically impaired the production of the company resulting in a major production short fall. Financial institutions have also curtailed the short-term limits and froze the funds in current accounts to clear the mark-up and other dues. These all factors caused production short fall in previous reporting periods.

	2015Number.....	2014
46 NUMBER OF EMPLOYEES		
Number of employees as at June 30,		
- Permanent	49	45
- Contractual	1	40
Average number of employees during the year		
- Permanent	47	46
- Contractual	1	3

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on **August 07, 2017** by the board of directors of the Company.

48 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

Sohail Maqsood
Chief Executive

M. Akhtar Mirza
Director

**KEY OPERATIONG & FINANCIAL DATA
FOR THE LAST SIX YEAR**

	2015 RUPEES	2014 RUPEES	2013 RUPEES	2012 RUPEES	2011 RUPEES	2010 RUPEES	2009 RUPEES
			Restated	Restated			
OPERATING RESULTS							
Total number of Spindles installed	24,096	24,096	24,096	24,096	24,096	24,096	24,096
Total number of Spindles shifts worked	0	12,640,903	16,734,898	18,213,477	26,168,256	26,168,256	26,168,256
Instal capacity 20's Count	8,029,854	8,029,854	8,029,854	8,029,854	8,029,854	8,029,854	8,029,854
Production converted into 20's Count	0	2,040,769	3,953,027	4,926,814	6,033,322	7,161,957	7,416,142
Number of shifts worked	0	906	695	756	1,086	1,086	1,086
PROVISION FOR TAXATION							
Turnover	-	316,169,386	603,481,851	1,602,248,153	2,662,982,274	1,851,263,217	1,371,413,538
Gross Profit	(218,483,763)	(83,047,742)	(53,995,998)	(1,237,300,539)	324,019,193	313,955,988	235,285,080
Operating Expenses	22,557,019	27,434,865	53,913,080	133,884,763	89,410,804	7,169,136	4,235,862
Operating Profit	(241,040,782)	(110,482,606)	(107,841,712)	(1,371,185,302)	234,608,390	235,587,283	137,789,603
Other Income	6,449,717	6,058,009	9,190,855	130,156	25,699,752	4,168,914	6,847,152
Financial & Other Charges	9,821,331	5,897,274	14,329,639	122,764,187	174,466,762	150,046,753	156,384,519
Profit for the year before taxation	(244,412,396)	(110,351,599)	(116,337,870)	(1,542,028,549)	85,841,380	92,727,621	20,710,522
Current year	-	-	1,570,088	6,921,780	25,114,497	13,636,360	8,015,293
Proir year	-	457,564	-	(1,275,722)	-	-	-
taxation	(7,055,004)	(13,058,558)	(13,147,379)	(22,114,252)	33,446,243	26,206,489	7,380,510
Profit for the year after taxation	(251,467,400)	97,293,041	(103,190,491)	(1,519,914,297)	52,395,137	66,536,132	13,330,012
Unappropriated Profit brought forward	(1,390,272,121)	(1,386,387,904)	(1,324,770,734)	207,423,976	155,028,839	97,287,923	109,367,911
Profit available for appropriation	(1,619,094,065)	(1,390,272,121)	(1,386,387,904)	(1,324,770,734)	207,423,976	163,824,055	122,697,923
APPROPRIATION							
Proposed Dividend	Nil	Nil	Nil	Nil	10% Cash Dividend	10% Bonus	
Unappropriated Profit Carried Forward	(1,619,094,065)	(1,390,272,121)	(1,386,387,904)	(1,324,770,734)	207,423,976	163,824,055	122,697,923
FINANCIAL POSITION							
Paid up Capital	146,410,000	146,410,000	146,410,000	146,410,000	146,410,000	146,410,000	133,100,000
Share Holder Equity	(1,447,700,897)	(1,218,863,218)	(1,214,977,904)	(1,153,360,734)	378,833,975	333,234,055	268,592,848
Long Term Loans	177,818,341	177,818,341	171,428,572	180,000,000	0	66,600,500	111,135,000
Obligation under Finance Leases	15,287,299	17,199,239	17,595,397	18,969,781	39,178,099	72,926,223	72,068,118
Deferred Liabilities	158,036,323	340,273,708	370,509,613	243,821,853	47,321,392	36,817,074	21,636,578
Current Liabilities	1,823,099,904	1,786,091,300	1,847,576,521	1,907,156,271	1,368,311,524	1,151,971,782	1,092,807,302
Fixed Assets	923,854,824	1,531,854,852	1,584,120,727	1,637,133,807	539,604,656	545,896,931	557,588,264
Long term Investments	13,769,021	10,735,485	9,838,228	12,667,534	58,913,782	40,853,618	27,160,724
Long term Deposit	2,780,500	2,780,500	1,273,000	2,008,468	5,332,480	74,423,030	991,235
Current Assets	148,115,841	316,992,301	368,854,776	487,816,512	1,397,975,329	1,173,633,329	1,073,758,099

**Pattern of Shareholding
As At June 30, 2015**

Number of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
995	1	100	14,739	0.10
269	101	500	59,061	0.40
255	501	1,000	195,070	1.33
136	1,001	5,000	348,664	2.38
46	5,001	10,000	346,292	2.37
7	10,001	15,000	88,253	0.60
6	15,001	20,000	106,439	0.73
1	20,001	25,000	21,961	0.15
5	25,001	30,000	133,823	0.91
1	30,001	35,000	31,376	0.21
2	35,001	40,000	74,879	0.51
4	40,001	45,000	168,639	1.15
2	45,001	50,000	96,609	0.66
2	50,001	55,000	103,091	0.70
1	55,001	60,000	60,000	0.41
1	65,001	70,000	67,618	0.46
2	70,001	75,000	146,500	1.00
1	75,001	80,000	76,859	0.52
1	80,001	85,000	81,625	0.56
1	85,001	90,000	89,395	0.61
1	90,001	100,000	92,082	0.63
2	100,001	150,000	298,828	2.04
1	150,001	200,000	169,103	1.15
1	200,001	250,000	202,777	1.38
1	250,001	275,000	254,500	1.74
1	275,001	600,000	277,500	1.90
1	600,001	680,000	619,543	4.23
1	680,001	1,100,000	680,806	4.65
1	1,100,001	1,160,000	1,101,822	7.53
1	1,160,001	1,350,000	1,162,251	7.94
1	1,350,001	1,365,000	1,350,655	9.23
1	1,365,001	1,395,000	1,366,910	9.34
1	1,395,001	1,445,000	1,400,000	9.56
1	1,445,001	1,900,000	1,450,000	9.90
1	1,900,001	1,905,000	1,903,330	13.00
1,754			14,641,000	100.00

* Note: There is no shareholding in the slab not mentioned

Particulars	No. of Share Holders	No. of Shares Held	Percentage
Directors, Chief Executive Officer, Their Spouses and Minor Children	9	3,955,135	27.01
Associated Companies, Undertakings and Related Parties	1	202,777	1.38
NIT & ICP	2	964	0.01
Banks, Development Finance Institutions, Non-Banking Financial Institutions	3	426,492	2.91
Joint Stock Companies	5	78,550	0.54
General Public (Local)	1,725	4,435,925	30.30
Other Companies	9	5,541,157	37.85
	1,754	14,641,000	100.00

**CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2015**

A) ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	SHARES
Paramount Spinning Mills Limited	202,777
B) NIT & ICP	
IDBL (ICP UNIT)	464
Investment Corporation of Pakistan	500
C) DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSES AND MINOR CHILDREN	
<u>DIRECTORS</u>	
Mr. Tanveer Ahmed	2,584,136
Mr. Riaz Ahmed	1,486
Mr. MAQSOOD UL HAQ	500
Mr. Sohail Maqsood	550
Mr. Ghulam Ali	500
Mr. Iftikhar Ali	500
Mr. Muhammad Yousuf	553
<u>SPOUSES</u>	
Mrs. Naureen Tanveer	1,366,910
Mr. Ebrahim Shakoor	169,103
D) BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS & MUTUAL FUNDS	
<u>BANKS</u>	
National Bank of Pakistan	148,992
The Bank of Punjab, Treasury Division	277,500
E) OTHER COMPANIES	5,541,157
F) JOINT STOCK COMPANIES	78,550
G) GENERAL PUBLIC (LOCAL)	4,266,822
	<u>14,641,000</u>
H) SHAREHOLDERS HOLDING 05% OR MORE	
Mr. Tanveer Ahmed	2,584,136
Mr. Abdul Shakoor	1,101,822
Mrs. Naureen Tanveer	1,366,910
Peridot Products (Pvt) Limited	1,350,655
BLESSED CORPORATION (PVT.) LTD.	1,450,000
OPAL (SMC-PRIVATE) LIMITED	1,400,000
I) TRADING IN THE SHARES OF COMPANY DURING THE YEAR BY THE DIRECTORS, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN	500

FORM OF PROXY

I/We _____ being member of **Gulistan Spinning Mills Limited** holder of _____ ordinary shares as per Share Register Folio No. _____ and/or CRC participant I.D. No. _____ Account No. _____ hereby appoint Mr. _____ who is also member of **Gulistan Spinning Mills Limited** vide Folio No. _____ or CDC participant I.D. No. _____ Account No. _____ or failing him/her of Mr. _____ of who is also member of **Gulistan Spinning Mills Limited** vide Folio No. _____ or CDC participant I.D. No. _____ Account No. _____ as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 29 August 2017 at 12:00 p.m. and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2017

Signed by the said _____

Witness 1:-

Name:- _____

Address:- _____

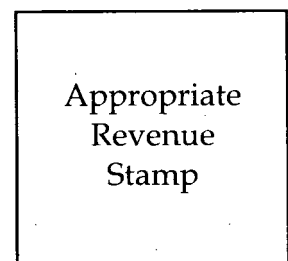
CNIC:- _____

Witness 2:-

Name:- _____

Address:- _____

CNIC:- _____



Notes:

1. The Proxy in order to be valid must be duly stamped, signed and witnessed and be deposited with the Company not later than 48 hours before the time of holding of Meeting.
2. The proxy must be a member of the Company.
3. Signature should agree with the specimen signature, registered with the Company.
4. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their National Identity Card/Passport in original to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her NIC or passport.
5. Representative of corporate members should bring the usual documents required for such purpose.

گلستان سپنگ ملز لمیٹڈ

شیر ہولڈرز کو دی گئی ڈائریکٹر کی رپورٹ

گلستان سپنگ ملز لمیٹڈ کی سالانہ جنرل میٹنگ کے موقع پر کمپنی کے ڈائریکٹر کمپنی کے مالی بیانات کی رپورٹ پیش کر رہے ہیں جو کہ آڈیٹرز کی رپورٹ کے ساتھ منسلک ہے۔ یہ رپورٹ زیر جائزہ مالی سال مورخہ 30 جون 2015 پیش کیا جا رہا ہے۔

مجموعی جائزہ

زیر جائزہ سال مجموعی طور پر کافی مشکل سال ثابت ہوا ہے۔ سنگین توانائی کے بحران کے ساتھ ساتھ مالی ذرائع کی عدم دستیابی نے پیداواری صلاحیتوں کے استعمال میں رکاوٹ ڈالے رکھی۔

اس کے علاوہ ان نقصانات کا بنیادی سبب کام چلانے کے لیے سرمایہ کی عدم دستیابی سے پیدا ہونے والے مالی بحران کی وجہ سے بینکس اور دیگر مالی اداروں کی طرف سے بھی مالی امداد کو بھی یکطرفہ طور پر روک دیا گیا۔ جس کے نتیجے میں کمپنی ہذا خام مال جس کی مدد سے موجود مشنری کو مناسب سطح کی حد تک چلا کر پیداوار کو بڑھایا جاتا مناسب مقدار میں اور مناسب وقت پر نہ خرید سکی۔

ان حالات نے مطلوبہ پیداوار کے اہداف کو حاصل کرنے کے لئے کمپنی کی منصوبہ بندی کو روک دیا نتیجتاً ہماری سیلز ٹرن اوور پر اور کمپنی کے منافع کی صلاحیت پر بری طرح اثر پڑا۔ جبکہ اس کے برعکس موجودہ بدترین حالات کے باوجود انتظامیہ کمپنی کی ملز کو چلانے کی ہر ممکن سر توڑ کوشش کر رہی ہے۔

قرضہ بڑھانے کی سخت شرائط، بلند شرح سود، منسلک لیکویڈٹی کے مسائل نے کمپنی کو مجبور کیا کہ وہ اپنے قرض اور واجبات کی ادائیگیوں کیلئے مزید وقت حاصل کرے جو کہ گفت و شنید کے بعد اس شرط پر کہ وہ اپنے قرضہ جات وقت پر ادا کرے گی کمپنی کو مزید وقت مل جائے گا۔

کمپنی نے مارکیٹ میں کلیدی حیثیت رکھنے والے مالی اداروں / بینکس کے ساتھ مل کر قرض کے حصول کا عمل شروع کیا ہے۔

اس سلسلہ میں کمپنی نے معروف قانونی فرم کو بطور مالی امور کے وکیل مقرر کیا ہے اور شرائط و ضوابط اور منصوبہ بندی کی دستاویزی شکل میں تیاری اپنے آخری مراحل میں اور بیشتر مالی اداروں نے ہمارے قرض کے حصول کی منصوبہ بندی کو سراہا

/ منظور کیا ہے۔ اگر ایک دفعہ ہم اپنی اس منصوبہ بندی کو پورا کرنے میں کامیاب ہو گئے تو اس سے کمپنی کی مالی حیثیت اور دیگر حساب کتاب میں بہتری آئے گی۔

انتظامیہ حالیہ پیش آنے والے مالی مسائل سے باخبر ہے جو کہ ہمارے آپریشنز پر اثر انداز ہو رہے ہیں۔ اور انتظامیہ اپنے مالی امور کی تشکیل نو اور بہتر منصوبہ بندی کر کے کمپنی کو ایک منافع بخش کمپنی بنانے کیلئے پر عزم ہے۔ اور اپنی اعلیٰ پیشہ وارانہ صلاحیتوں کو بروئے کار لاتے ہوئے اپنے آپریشنز / سرگرمیوں کو مضبوط کرے گی اور پیداواری عوامل (پراسیس) میں ترقی لاتے ہوئے اپنے کسٹمز کو بہتر سے بہتر خدمات باہم پہنچائے گی۔

آپریٹنگ (کام کی سرگرمیوں) اور مالی کارکردگی کا جائزہ

2014	2015	کام کی نوعیت
316,169,386/-	-	سیلز
(399,217,128)/-	(218,483,763)/-	بیچے گئے سامان پر اٹھنے والی لاگت (اخراجات)
(5,897,274)/-	(9,821,331)/-	مالیاتی لاگت
(110,351,599)/-	(244,412,396)/-	ٹیکس دینے سے پہلے کا نقصان
13,058,558/-	(7,055,004)/-	ٹیکس
(97,293,041)/-	(251,467,400)/-	ٹیکس دینے کے بعد کا نقصان

مستقبل کی تصویر کشی / منصوبہ بندی

کمپنی کی انتظامیہ پیداواری لاگت کو کم کرنے کیلئے اور روپے کی قدر میں کمی کے اثرات / نقصانات کو کم کرنے کیلئے پیداواری صلاحیت کے زیادہ سے زیادہ استعمال میں لانے کیلئے زبردست محنت کر رہی ہے۔

پیداواری لاگت میں اضافہ اصل میں کپاس کی قیمت میں اضافہ، توانائی کے ذرائع کے شدید بحران، روپے کی قدر میں کمی کی وجہ سے اور درآمدی اشیاء کی قیمتوں میں اضافے، دو عددی افراط زر اور بجلی کی طویل لوڈ شیڈنگ کی وجہ سے ہوئی جس کی وجہ سے ٹیکسٹائل سیکٹر کو شدید حالات کا سامنا ہے۔

ان حالات کے پیش نظر مستقبل میں بھی انہی حالات کا اندیشہ ہے۔

اس کے برعکس کمپنی کی توجہ اپنے کسٹمز کے ساتھ تعلقات کو مستحکم کرنے پر اور اپنے پیداواری حجم کو معقول کرنے اور اپنی قیمتوں کے تعین کے اہداف کے حصول پر مرکوز رکھے ہوئے ہے تاکہ منافع میں اضافہ ہو سکے۔

ان سنگ میل کو حاصل کرنے کی سب سے بڑی رکاوٹ مالی ذرائع کے حصول کی عدم دستیابی ہے۔
لیکن ہم یہ حالات مستقبل قریب میں ختم ہونے کی امید رکھ سکتے ہیں کیونکہ ہماری قرضوں کے حصول کی منصوبہ بندی جلد از جلد اپنے تکمیل کے مراحل میں ہے اور پھر قرضوں کے حصول کے بعد پیداواری صلاحیتوں کے استعمال میں بڑھوتری ہو سکے گا۔

اگر ایک دفع قرضوں کے حصول کی گفت شنید کا مرحلہ کامیابی سے مکمل ہو گیا تو ہم خام مال کو بروقت اور بہتر / کم قیمت میں خرید سکیں گے۔

منافع میں اضافہ اور کارکردگی میں ترقی کیلئے کمپنی کی طرف سے طویل المدت اور اہم اقدامات لاگو کیے جا رہے ہیں اور کمپنی پیداواری لاگت میں کمی اور مارجن میں اضافہ پر اپنی توجہ مرکوز رکھے ہوئے ہے۔

متذکرہ بالا اقدامات برائے حصول قرض میں کامیابی کے بعد کمپنی کی انتظامیہ اپنی تمام تر توجہ پیداواری سرگرمیوں پر کر دے گی۔ مالی معاملات میں بہتری اور پیداواری لاگت میں مناسب کمی، مالی ذرائع کے حصول اور خام مال کی خریداری کیلئے مزید موثر انتظامی اقدامات ہونے کے بعد کمپنی ہذا امید واثق رکھتی ہے کہ وہ منافع کی راہ پر گامزن ہو جائے گی لیکن اس شرط پر کہ بیرونی طور پر کوئی ایسے ناگہانی حالات نہ پیدا ہو جائیں جیسا کہ زبردست توانائی کا بحران اور عالمی مارکیٹ کے برے حالات وغیرہ۔

آڈیٹرز کی طرف سے اٹھائے گئے اعتراضات

آڈیٹرز نے اس معاملے میں تشویش کا اظہار کیا ہے کہ کمپنی نے ابھی تک بینک ہائے ودیگر مالی اداروں کے ساتھ قرضوں کے حصول کے سلسلہ میں گفت و شنید اور قرض کے حصول کی نئی منصوبہ بندی سابقہ ادائیگیوں کیلئے مزید وقت کے حصول کیلئے تیز ترین اقدامات نہیں اٹھائے۔

اس سلسلہ میں یہ امر قابل توجہ ہے کہ قرضوں کے حصول کی نئی منصوبہ بندی اپنے تکمیلی مراحل پر ہے جس کے تمام خاص خاص امور پر سے بیشتر بینک ہائے / مالی ادارے ہمارے ساتھ متفق ہیں۔

بینک ہائے / قرض دہندگان کی طرف سے پیش کردہ ایک سکیم آخری مراحل میں ہے اور جس کا ڈرافٹ ہمارے مالی امور کے قانونی ماہرین بنا رہے ہیں اور سندھ ہائی کورٹ کی منظوری کے بعد ایک معاہدہ مابین فریقین برائے حصول قرضہ کمپنی اور متعلقہ بینک ہائے کے درمیان طے پا جائے گا۔

اور اس معاہدہ کی شرائط و ضوابط کے مطابق کمپنی اور اسکی مخالف اداروں کے درمیان جاری تمام قانونی کارروائیاں ختم ہو جائیں گی اور فریقین ہر طرح کی قانونی کارروائی سے دستبردار ہو جائیں گے۔

انتظامیہ ہر ممکن کوشش کر رہی ہے کہ وہ کمپنی کو حالیہ مالی مسائل اور بدترین بحران سے نکال لے۔ بے شک انتظامیہ نے اپنی بیشتر افرادی قوت کو استعمال کیا ہے تاکہ وسائل کے تحفظ، قدرتی وسائل اور خام مال کے موثر استعمال کیلئے کیے گئے ہر ممکن اقدامات کی کامیابی کو یقینی بنایا جائے۔

ہائی کورٹ میں جو کمپنی کے خلاف واجب الادا ادائیگیوں کے حصول کیلئے قانونی کارروائی چل رہی ہے اس سلسلہ میں کمپنی نے سود پر اضافی سود کی ادائیگی کے تقاضے کو رد کر دیا ہے جس کے نتیجہ میں بینک / مالی اداروں نے کمپنی کے ذمے واجب الادا پیسوں کو کنفرم نہیں کیا ہے جو کہ پیسے پہلے سے کمپنی ہذا نے متنازعہ قرار دیے ہوئے ہیں۔

کمپنی کو یہ امید واثق ہے کہ ان متنازعہ رقوم کے سلسلہ میں اگر مفاہمت ہوگئی تو ہمارے حق میں طے شدہ قرضوں کی اگلی اقساط Release ہو جائیں گی اور سابقہ قسطوں کیلئے مزید وقت مل جائے گا، جس کے نتیجہ میں کمپنی ہذا کی مالی صلاحیت میں اضافہ ہوگا اور کمپنی قبل از وقت موثر سرمایہ کاری کرتے ہوئے مناسب قیمت پر خام مال خرید سکے گی اور اپنے مالی ذرائع کو بہتر طور پر چلا سکے گی۔ اور لوکل اور عالمی مارکیٹ کے پریشور کو Manage کر سکے گی اور ملکی توانائی کے بحران سے لڑ سکے گی۔

کارپوریٹ گورننس

آپ کی کمپنی سیکورٹیز اور ایکسچینج کمیشن آف پاکستان کے قوانین پر بہر صورت عمل پیرا ہے اور اس کے مطابق اپنے داخلی مالی و دیگر معاملات کے کنٹرول کی پالیسیز کو بہتر طریقے سے پہلے سے زیادہ سختی سے اور توازن کے ساتھ نافذ کیے ہوئے ہے۔

بورڈ میٹنگز اور حاضر لوگ

بورڈ ڈائریکٹرز کی چار دفعہ میٹنگ منعقد کی گئی اور ڈائریکٹرز کی حاضری کی تفصیل درج ذیل ہے۔

میٹنگ میں حاضری

نام ڈائریکٹر	میٹنگ میں حاضری
تنویر احمد	4
ریاض احمد	4
سہیل مقصود	4
عمر حیات گل (ریٹائرڈ شدہ مورخہ 31-03-2015)	2
افتخار علی	4
مقصود الحق	2
غلام علی	1

جو ارکان شامل ہونے قاصر تھے ان کی حاضری سے چھٹی منظور کی گئی۔

آڈٹ کمیٹی

حکومت کی طرف سے جاری کردہ ضابطہ پر عمل پیرا ہوتے ہوئے کمپنی کے بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی جو بورڈ کے 4 ڈائریکٹرز / ارکان پر مشتمل ہے تشکیل دی اور ان آڈٹ کمیٹی کے ارکان نے آڈٹ کمیٹی کے اجلاس میں شرکت کی جن کی تفصیل درج ذیل ہے۔

رکن کا نام	میٹنگ میں شرکت کی تعداد
غلام علی	1
سہیل مقصود	4
عمر حیات گل	3

انسانی وسائل اور ان کے معاوضے کی کمیٹی

حکومت کی طرف سے جاری کردہ ضابطہ پر عمل پیرا ہوتے ہوئے کمپنی کے بورڈ آف ڈائریکٹرز نے ایک انسانی وسائل اور ان کے معاوضے کی کمیٹی

تشکیل دی اور ان ارکان کی تفصیل لف رپورٹ ہذا ہے۔

انٹرنل آڈٹ کا طریقہ کار (فرائض)

بورڈ آف ڈائریکٹرز نے مناسب اور مؤثر داخلی مالی کنٹرول سسٹم بنایا ہے اور اس پر سختی سے عمل پیرا ہیں جس میں، آپریشنل، فنانشل اور کمپنی کے کاروباری معاملات کی متعلقہ پالیسیز پر مناسب طریقے سے عمل درآمد ممکن بنایا جاسکے تاکہ کمپنی کے بنیادی اصول کے مقاصد کو حاصل کیا جاسکے۔

انٹرنل آڈٹ کی سفارشات اور مشاہدات کو آڈٹ کمیٹی نے نظر ثانی کیا اور جہاں پر ضروری سمجھا انہوں نے دی گئی سفارشات اور مشاہدات کی روشنی میں مناسب کارروائی کی۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ کے فریم ورک

کارپوریٹ گورننس کے ضابطہ کے مطابق ڈائریکٹر کو بخوش اصولوں پر مندرجہ ذیل امور سرانجام دینے ہوں گے۔

- کمپنی انتظامیہ کی طرف سے جو مالی امور کا بیان پیش کیا جائے گا وہ کمپنی کے مالی امور کا اصل اور سچے چہرے کی عکاسی کرے اور کمپنی کے آپریشن کے نتائج / ماحاصل / منافع / نقصان، کیش فلو اور ایکوسیٹی میں تبدیلیاں کی صحیح ترجمانی / آئینہ داری کرے۔
- کمپنی کے اکاؤنٹ بکس کی مناسب تیاری اور دیکھ بھال کرے۔
- مناسب اکاؤنٹنگ پالیسیز کی تیاری اور اس کی روشنی میں مالی امور کے بیان اور مالی تخمینہ جات کی تیاری اور اس سلسلہ میں معقول اور دانشمندانہ فیصلے کیے جائیں۔
- بین الاقوامی اکاؤنٹنگ سٹینڈرڈز جو کہ پاکستان میں لاگو ہیں کے مطابق مالی امور کا بیان تیار کیا جائے۔
- انٹرنل مالی و نظم و ضبط کا کنٹرول کا سسٹم موثر اور مستحکم ہو اس کا نفاذ کا مناسب مانیٹرنگ سسٹم موجود ہو۔
- بورڈ کے ڈائریکٹرز کو مالی امور کے بیان کے پیرا نمبر 1-3 میں دیے گئے ضابطہ کے سلسلہ میں کسی قسم کی کوئی خلاف ورزی نہ ہو۔
- کارپوریٹ گورننس کے سلسلہ میں بہترین طریقوں کو اختیار کیا جائے جن کا ذکر سٹاک ایکسچینج کے قوانین میں ہے اور کوئی خلاف ورزی سامنے نہ آئے۔
- گزشتہ 6 سالوں کا آپریٹنگ اور مالی امور کا کلیدی ڈیٹا لف ہذا ہے۔
- ٹیکسز، ڈیوٹیز، محصولات اور دیگر چارجز کی مد میں کوئی اضافی یا غیر قانونی ادائیگیاں نہیں کی گئیں۔
- حالیہ مالی سال کے اختتام پر جو بیلنس شیٹ اور ڈائریکٹرز رپورٹ پیش کی گئی اس کے مطابق کمپنی کی مالی پوزیشن کے مواد میں کسی قسم کی کوئی کلیدی یا بنیادی تبدیلی نہیں کی گئی جو آپکی کمپنی کی مالیاتی صورتحال کو متاثر کرے سوائے ان کے جو مالی امور کے بیان میں آشکار کی گئیں۔

کمائی / نقصان بمطابق شیئر کی قیمت

بمطابق شیئرز کی حالیہ قیمت، کمپنی کا نقصان برائے اختتامی دورانیہ 30 جون 2015، فی شیئر 17.18 روپے ہے جو کہ پچھلے سال 6.65 روپے فی شیئر تھا۔

منافع

متذکرہ بالا پیش کردہ امور کی روشنی میں بورڈ ڈائریکٹرز نے اختتامی دورانیہ 30 جون 2015 کیلئے کسی منافع کی سفارش نہیں کی ہے۔

ضابطہ اخلاق

کمپنی ہذا کے ہر ڈائریکٹر، ملازم کو مجوزہ ضابطہ اخلاق کے بارے میں تیار، آگاہ اور متعارف کروایا گیا ہے۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی کارپوریٹ سماجی ذمہ داریاں جو کہ سماج، شہری دفاع، ملازمین کی بہبود اور ماحول دوستی پر مبنی ہے کو پوری طرح سے تسلیم کرتی ہے اور اس پر عمل پیرا ہے۔

ویب / سماجی رابطہ کے ذرائع پر موجودگی

کمپنی کی سالانہ اور متواتر مالی امور کا بیان کمپنی کی ویب سائٹ www.gulshan.com.pk پر شیئر ہولڈرز اور دیگر ان کی آگاہی کیلئے موجود ہے۔

متعلقہ فریقین کے ساتھ لین دین

متعلقہ فریقین کے ساتھ لین دین کو آرمر لنگتھ پرائسز کے قانون کے مطابق کیا جاتا ہے جو کہ "کمپیئر ڈان کنٹرول پرائس میٹھڈ" کے مطابق طے شدہ ہے۔ کمپنی ہذا کارپوریٹ گورننس کے بہترین طریقوں کو اختیار کیے ہوئے ہے جن کا ذکر سٹاک ایکسچینج کے قوانین میں ہے۔

کمپنی کے شیئرز کی ٹریڈنگ

زیر جائزہ سال میں چیف ایگزیکٹو آفیسر ان، چیف فنانشل آفیسر، کمپنی سیکرٹری، ڈائریکٹرز اور ان کی ازواج / خاوند اور بچوں کی طرف سے کمپنی کے شیئرز کا کاروبار کیا گیا۔ جس کی تفصیل درج ذیل ہے:

نام	اوپننگ۔ سیلنس مورخہ	خریداری	فروخت	کلوزنگ۔ سیلنس مورخہ
	2014-07-01			2015-06-30
مقصوداً لخت	کوئی نہیں	500	کوئی نہیں	500

عملہ کے ریٹائرمنٹ کے سینفٹ کی قیمت کا بیان

دورانہ برائے مورخہ 30 جون 2015 ڈیفنڈ لائبلٹی برائے گریجویٹ کی رقم 2,897,478 روپے مختص کی گئی ہے۔

آڈیٹرز

میسرز باقر تلی محمود ادریس قمر، چارٹرڈ اکاؤنٹنٹس نے اپنی کمپنی دوبارہ مقرر کرنے کی پیشکش کی ہے اور آڈٹ کمیٹی نے بھی ان کی بطور کمپنی کے بیرونی آڈیٹرز برائے اگلے مالی سال کی تعیناتی کی سفارش / منظوری کی ہے۔

شیر ہولڈنگ کا پیٹرن

ضابطہ برائے کارپوریٹ گورننس کے مطابق 30 جون 2015 تک کا شیر ہولڈنگ کا پیٹرن لف رپورٹ ہذا ہے۔

تحسینی اعترافات

آخر میں ہم اس موقع کا فائدہ اٹھاتے ہوئے چاہیں گے کہ اپنے کسٹمرز، اور مالی ادارے / بینکرز کا شکریہ ادا کریں جو کہ انہوں نے کمپنی کی ترقی اور نشوونما کیلئے مسلسل حمایت اور تعاون کیا اور ہم امید کرتے ہیں کہ اسی جذبے سے یہی تعاون اور حمایت جاری رہے گی۔

ہم اپنی جذبے سے سرشار ٹیم اور ایگزیکٹوز / ڈائریکٹرز، دیگر عملے اور کارکنوں کا بھی شکریہ ادا کرتے ہیں جنہوں نے اس تمام عرصہ میں سخت محنت اور لگن سے کام کیا اور ہم آمدہ سال میں بھی اسی لگن اور محنت کی امید رکھتے ہیں تاکہ ہماری کمپنی پہلے سے بھی زیادہ بہتر نتائج حاصل کرے۔

آخر میں (لیکن بالکل آخری نہیں) انتظامیہ اپنے بورڈ کی ہر دفعہ کی طرح اس دفعہ بھی بھرپور تعاون اور رہنمائی کا شکریہ ادا کرتے ہیں جو ہماری کمپنی کے لیے مستقبل کی زبردست منصوبہ بندی، بہتر رہنمائی اور objectives کا تعین کرتے ہیں۔

لاہور اگست 2017، 07

بورڈ آف ڈائریکٹرز کی طرف / جانب سے

سہیل مقصود،

چیف ایگزیکٹو

گلستان سپینگ ملز لمیٹڈ اطلاع برائے سالانہ مجلس عاملہ

اطلاع دی جاتی ہے کہ گلستان سپینگ ملز لمیٹڈ کمپنی کے سالانہ مجلس عاملہ کا اجلاس منعقد کیا جا رہا ہے جو کہ مورخہ 29 اگست 2017 کو 12 بجے شام بمقام سیکنڈ فلور فلے ہاؤس آئی آئی چند گیروڈ کراچی پر منعقد ہوگا۔ اس اجلاس میں مندرجہ ذیل امور سرانجام دیے جائیں گے۔

- 1- پچھلے سالانہ مجلس عاملہ کا اجلاس کے منٹس پر عملدرآمد کا جائزہ لیا جائے گا۔
- 2- کمپنی کے آڈٹ شدہ مالی امور کا بیان برائے دورانیہ مالی سال 30 جون 2015 بمعہ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کو وصول کیا جائے گا (ان کی نقول بورڈ ارکان کو بانٹی جائیں گی) اور ان میں موجود سفارشات، مشاہدات اعتراضات پر جائزہ / غور اور فیصلے کیے جائیں گے۔
- 3- اگلے مالی سال 2015/16 کیلئے کمپنی کے آڈیٹرز کو مقرر کیا جائے گا اور ان کے معاوضات کا تعین کیا جائے گا۔ برخاست شدہ آڈیٹرز میسرز باقر تلی محمود ادریس قمر، چارٹرڈ اکاؤنٹنٹس نے اپنی کمپنی کو دوبارہ مقرر ہونے کیلئے پیش کیا ہے۔ ان کی درخواست پر فیصلہ کیا جائے گا۔
- 4- چیئرمین کی اجازت سے مزید کاروبار اپنانے کے امور کو نپٹایا جائے گا۔

لاہور : 8 اگست 17

جاری کیا گیا بذریعہ آرڈر ازان بورڈ آف ڈائریکٹرز

محمد سلیم رضا
کمپنی سیکرٹری

اہم اطلاع:

- 1- کمپنی کی شیئر ٹرانسفر بکس بند کر دی جائیں گے اور مورخہ 22 اگست 2017 تا 29 اگست 2017 تک (بیچ کے دنوں چھٹی کے دنوں کیلئے بھی) کسی شیئر کی ٹرانسفر قبول نہیں کی جائے گی۔
- 2- وہ رکن جو سالانہ مجلس عاملہ کا اجلاس ووٹ دینے کا حق رکھتا ہے اپنا کوئی بھی نمائندہ بطور پروکسی مقرر کر سکتا ہے جو اس کے بدلے / اس کی جگہ ووٹ دے۔ جس کیلئے اس کو کمپنی کے رجسٹرڈ دفتر میں سالانہ مجلس عاملہ کا اجلاس سے 48 گھنٹے قبل متعلقہ پروکسی فارم پُر کر کے جمع کروانا ہوگا۔
- 3- سی ڈی سی شیئر ہولڈرز سے گزارش ہے کہ وہ سالانہ مجلس عاملہ / میٹنگ میں ووٹ دیتے وقت اپنے اصل شناختی کارڈ / پاسپورٹ پیش کریں۔ تاکہ ان کی شناخت ہو سکے بصورت دیگر وہ اپنے شناختی کارڈ / پاسپورٹ کی تصدیق شدہ نقل پیش کریں گے۔ کاپوریٹ کمپنی کی صورت میں بورڈ آف ڈائریکٹر کی قرارداد کا سرٹیفکیٹ / قابل قبول مختار نامہ جس میں مختار دہندہ اور نمائندے / مختار کنندہ کے سپیسیمین دستخط مثبت ہوں پیش کیا جائے۔
- 4- ارکان کے گزارش ہے کہ وہ اپنے کسی بھی موقع پر پتہ کی تبدیلی کی صورت میں میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کراچی چیمبر، حسرت موہانی روڈ کراچی کے شیئر رجسٹرار کو فوری طور پر آگاہ کریں۔

فارم برائے پروکسی ممبر
گلستان سپینگ ملز لمیٹڈ

میں گلستان سپینگ ملز لمیٹڈ کے _____ عدد عام شیئر کا مالک / رکھتا ہوں جو کہ شیئر رجسٹر کے فولیو نمبر _____ پر درج ہے اور یا سی آر سی کے امیدوار شناختی نمبر _____ اکاؤنٹ نمبر _____ کے مطابق درج ہے۔ میں مسی _____ جو کہ بھی بذریعہ فولیو نمبر _____ یا سی ڈی سی امیدوار شناختی نمبر _____ اکاؤنٹ نمبر _____ گلستان سپینگ ملز لمیٹڈ کا رکن / شیئر ہولڈر ہے کو میں اپنا پروکسی / شرکت کنندہ / نمائندہ مقرر کرتا ہوں یا اس کے ناکام ہو جانے / پیش ہونے میں ناکام ہونے کے بعد دوسرے شخص مسی _____ جو کہ بھی بذریعہ فولیو نمبر _____ یا سی ڈی سی امیدوار شناختی نمبر _____ اکاؤنٹ نمبر _____ گلستان سپینگ ملز لمیٹڈ کا رکن / شیئر ہولڈر ہے کو اپنا پروکسی / شرکت کنندہ / نمائندہ میں مقرر کروں گا جو میری جگہ سالانہ کمپنی کی مجلس عاملہ جو کہ 29 اگست 2017 کو بوقت 12:00 بجے یا کسی دیگر وقت و جگہ پر منعقد ہوگی پیش / شرکت کرے گا اور میری جگہ بیان اور ووٹ دے گا۔

دستخط و مہر پراکسی ممبر

میں آج کے دن _____ مورخہ _____ 2017 کو اپنے بیان کی تصدیق کرتا ہوں اور اپنے دستخط کرتا ہوں۔

گواہ نمبر 1

نام _____

پتہ _____

شناختی کارڈ نمبر _____

گواہ نمبر 2

نام _____

پتہ _____

شناختی کارڈ نمبر _____

نوٹ:

- 1- پروکسی فارم پر شیئر ہولڈر اور گواہوں کی مہر، دستخط ثبت ہوں گے اور فارم سالانہ مجلس عاملہ / مینٹنگ کے انعقاد کے 48 گھنٹوں سے پہلے پیش کرنا ہوگا۔
- 2- پروکسی کنندہ کمپنی کا شیئر ہولڈر / رکن ہوگا۔
- 3- پروکسی کنندہ کے دستخط کمپنی میں رجسٹرڈ شدہ دستخط سے مشابہہ ہوں گے۔
- 4- سی ڈی سی شیئر ہولڈر ووٹ دینے کے مستحق ہوں گے اور وہ سالانہ مجلس عاملہ / مینٹنگ میں ووٹ دیتے وقت اپنے اصل شناختی کارڈ / پاسپورٹ پیش کریں گے تاکہ ان کی شناخت ہو سکے بصورت دیگر وہ اپنے شناختی کارڈ / پاسپورٹ کی تصدیق شدہ نقل پیش کریں گے۔
- 5- کارپوریٹ ممبرز کے نمائندے اپنے متعلقہ کاغذات پیش کریں گے۔



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- 📄 Online Quizzes



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