



PAKISTAN STOCK EXCHANGE LIMITED

PSX/N-324

NOTICE

March 21, 2019

Reproduced hereunder Order dated March 20, 2019 passed by Commission whereby Commission has dropped the winding up proceedings initiated through Show Cause Notice under Clause (c) of Section 301 read with Clause (b) Section 304 of the Companies Act, 2017 w.r.t. Gulistan Textile Mills Limited, for information of all concerned.

(Copy of the same is also available on our Website www.Psx.com.pk)

Before Abid Hussain – Executive Director



In the matter of

Gulistan Textile Mills Limited

Number and date of Show Cause Notice: CSD/ARN/196/2015-3458-59 dated April 24, 2017

Dates of Hearing: May 10, 2017, May 25, 2017, December 20, 2017, January 15, 2018, April 4, 2018, August 20, 2018, October 31, 2018 & February 21, 2019

Authorized Representative: Mr. Abid Amin
Financial Consultant

Mr. Hamza Khokhar
Cornelius Lane & Mufti
Advocate and Solicitors
(Authorized Representatives)

ORDER

Under Clause (c) of Section 301 read with Clause (b) of Section 304 of the Companies Act 2017
Clause (b) of Section 305 read with Clause (b) of Section 309 of the repealed Companies Ordinance, 1984

This Order shall dispose of proceedings initiated in the matter of Show Cause Notice (the "SCN") dated April 24, 2017 under Section 309 read with Section 305 of the repealed Companies Ordinance, 1984 (the "Ordinance") issued to Gulistan Textile Mills Limited (the "Company") and its board of directors.

2. The facts leading to this case briefly stated are that the Company was incorporated in Pakistan in February 1966 as a private limited company and converted into public limited company in April 1966. Its shares are listed on Pakistan Stock Exchange Limited. Principal business of the Company is to manufacture,

SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN
NIC Building, 63 Jinnah Avenue,
Islamabad, Pakistan

113



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 1 -

sale of yarn, fabrics and other ancillary products. It was observed that the Company failed to hold two consecutive annual general meetings ("AGMs") for the year ended June 30, 2015 and June 30, 2016. In this regard, Company Registration Office (the "CRO"), Karachi approached the Commission for grant of sanction in terms of clause (b) of section 309 read with clause (b) of section 305 of the Ordinance to present a petition before the Honorable High Court for winding up of the Company on the above grounds.

3. Concurrent with the issuance of SCN, hearing in the matter was fixed on May 10, 2017. M/s Cornelius, Lane & Mufti Advocate and Solicitors, vide letter dated May 2, 2017 requested for three-week extension for submission of information. Hearing was therefore fixed on May 25, 2017. Mr. Shadman Shoaib and Mr. Abid Amin as Authorized Representatives attended said hearing. Authorized Representatives submitted that the company is in process of settlement with the creditors. The management is trying best to restart the operations and to convene the overdue AGMs. In this regard, they requested for extension till October 31, 2017 for convening the overdue AGMs.

4. Subsequent to this, hearing in the matter was fixed on December 20, 2017. M/s Cornelius, Lane & Mufti, Advocate and Solicitors, vide letter dated December 19, 2017 requested to convene hearing in first week of January, 2018. Hearing was then fixed on January 15, 2018, which was attended by Mr. Abid Amin and Mr. Hamza Khokhar as Authorized Representatives. During the course of the hearing, the Authorized Representatives submitted that audit for the year ended June 30, 2016 is in process and the Company will convene its AGM for the year ended June 30, 2015 by January 31, 2018. Later on, it was noted that the Company convened its AGM for the year ended June 30, 2015 on January 31, 2018. However, the Company failed to convene AGM for the year ended June 30, 2016.

5. In this regard, hearings were again fixed on April 4, 2018, August 20, 2018 and October 31, 2018. It was observed that no one appeared on the said hearing dates. Hearing was then fixed on February 21, 2019, which was attended by Mr. Abid Amin and Mr. Hamza Khokhar as Authorized Representatives. During the hearing, the Authorized Representatives informed that the Company has convened its overdue AGM for the year ended June 30, 2016 on October 27, 2018. The Chief Executive of the Company vide letter dated February 28, 2019 reiterated that all the pending AGMs under the directions of SECP have already been

2/3



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - 2 -

held. It is therefore requested to withdraw the notice issued by SECP and even the token penalty may not be imposed due to financial position of the Company.

6. In terms of notification S.R.O 751(I)/2017 dated August 02, 2017 the power to adjudicate cases under Section 309 of the Ordinance (Section 304 of the Act) has been delegated to Executive Director (Corporate Supervision Department).

7. In view of the aforesaid, I observe that the Company has rectified the default and convened its overdue AGMs for the year ended June 30, 2015 and June 30, 2016 on January 31, 2018 and October 27, 2018, respectively. I therefore drop the proceedings initiated against the Company with no further action.

Abid Hussain
Executive Director

Announced:
March 20, 2019
Islamabad