GULISTAN TEXTILE MILLS LIMITED

ANNUAL REPORT 2015

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Waqar Ahmed (Chairman) Mr. Naseer Ahmed (Chief Executive) Mr. Muhammad Arshad Mr. Muhammad Arif Mr. Mian Muhammad Khalid Nasim Mr. Zubair Hussain Akhtar Mr. Zafar Iqbal
AUDIT COMMITTEE	Mr. Zubair Hussain Akhtar (chairman) Mr. Waqar Ahmed Mr. Zafar Iqbal
HR & REMUNERATION COMMITTEE	Mr. Mian Muhammad Khalid Nasim (chairman) Mr. Waqar Ahmed Mr. Zafar Iqbal
CHIEF FINANCIAL OFFICER	Mr. Zulfiqar Ali
COMPANY SECRETARY	Mr. Zulfiqar Ali
AUDITORS	M/s. Baker Tilly Mehmood Idress Qamar Chartered Accountants Lahore.
LEGAL ADVISOR	M/s. A.K. Brohi & Company-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	ist Floor, Finlay House, I.I. Chundrigar Road, Karachi.
REGIONAL OFFICE	2nd Floor, Garden Heights, 8Aibak Block, New Garden Town, Lahore.
MILLS	Unit I - Sama satta, Distt. Bahawalpur Unit II & III Tibba Sultanpur, Distt. Vehari Unit IV - Ferozwatwan, Distt. Sheikhupura
WEB PRESENCE	www.gulistangroup.com.pk/corporate/gulistanT.html

CORPORATE VISION / MISSION STATEMENT

Vision

We aim at transforming GTML 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 product to its customers, a secured and environment friendly place of work to its employees and parent itself as a reliable partner to all business associates.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of **Gulistan Textile Mills Limited** (the "Company") will be held at 2nd Floor Finlay House, I.I. Chundrigar Road, Karachi on **Wednesday31st January, 2018 at 12:00 Noon** ,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

Karachi:

Zulifqar Ali
Company Secretary

January 10,2018

NOTES:

1- The share transfer books of the company will remain closed and no transfer of shares will be accepted for registration from **24th January, 2018 to 31st January, 2018 (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.

گلستان ٹیکسٹائل ملز لمیٹڈ

نوٹس برائے سالانہ عام میٹنگ

نوٹس یہ ہے کہ گلستان ٹیکسٹائل ملز لمیٹڈ (اس "کمپنی") کی سالانہ عام میٹنگ بروز بدھ 31 جنوری 2018، دوپہر 12:00 بجے بمقام دوسری منزل، فنلے ہاؤس، آ ئی آئی چندریگر روڈ، کراچی پر منعقد کی جائے گی۔ مندرجہ ذیل کاروبار کو منتقل کرنے کے:

1- کمپنی کے گزشتہ سالانہ اجلاس عام کے نٹس کی تصدیق کرنا.
2- 30 جون 2015 کو ختم ہونے والی مالی سال کے لئے کمپنی کے آڈٹ شدہ مالی بیانات وصول کرنے اور اسے قبول کرنے، بمعہ ڈائریکٹرز اورآڈیٹر کی رپورٹوں کے۔
3- اگلے مالی سال 2015-2016 کے لئے کمپنی کے آڈیٹر مقرر کرنے اور ان کے معاوضہ طےکرنا اور ریٹائرڈ ہونے والے آڈیٹر (بیکر ٹلی ، محمود ادریس قمر، چارٹرڈ اکاؤنٹنٹس) دوبارہ خود کو کمپنی کے آڈیٹر کے طور پر پیش ہونے کی آفر کی ہے۔
4-چیئرمین کی اجازت کے ساتھ کسی اور کاروبار کو منتقل کرنے کے لئے.

بورڈ کے حکم سے

ذوالفقار علی
کمپنی سیکرٹری

کراچی
10 جنوری 2018

نوٹس:

1- کمپنی کی حصص کی منتقلی کی کتابیں بند رہیں گی اور 24 جنوری، 2018 سے 31 جنوری، 2018 تک (رجسٹریشن کے دونوں دن) رجسٹریشن کیلئے حصص کی کوئی منتقلی قبول نہیں کی جائے گی.
2- عام اجلاس میں شرکت اور ووٹ دینے کے حقدار ایک رکن کسی بھی رکن کو اجلاس میں شرکت کرنے اور اس کی طرف سے ووٹ دینے کے لئے تحریری میں پراکسی کے طور پر مقرر کر سکتا لئے قانونی طور پر مکمل طور پر کمپنی کے پاس رجسٹرڈ آفس کے ساتھ پراکسی کا فارم مکمل ہونا ضروری ہے، اجلاس کے لئے مقررہ وقت سے 48 گھنٹوں کے بعد.
3- سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ ان کے سی این آئی کے ساتھ ساتھ شناخت کو آسان بنانے کے لئے میٹنگ کے وقت شرکت کنندہ آئی ڈی اور ان کے اکاؤنٹ نمبر کے ساتھ لے آئے. کارپوریٹ ادارے کی صورت میں، ایک بااختیار بی ڈی قرارداد / اٹارنی کی درست طاقت کے نامزد ہونے کے نامزد ہونے کے نمونہ دستخط کے ساتھ.
4- ممبران سے درخواست کی جاتی ہے کہ ہمارے حصوں (فوری طور پر) ہمارے حصص کے رجسٹرار ایم / حمید مجید ایسوسی ایٹس (پی ٹی ڈی) لمیٹڈ، کراچی کراچی چیمبر، حسرت موہانی روڈ، کراچی میں فوری تبدیلیوں کو مطلع کریں.

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 has 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	359,651,884	1,589,254,582
Gross loss	(551,162,868)	(649,635,714)
Financial cost	(1,871,228)	(33,480,336)
Pre tax Profit/ (Loss)	(658,903,847)	(203,538,977)
Provision for taxation	(86,903,627)	28,279,195
Profit / (Loss) after taxation	(745,807,474)	(175,259,782)

Future Outlook

The Company's Management in order to offset the effect of increased power cost and Rupee devaluation is trying hard on development of high margin product mix, in accordance with customer changing needs to increase the contribution margins.

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 financing opportunities vis-a-vis reduction in finance cost for the Company. 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, interest costs, energy prices and rising inflation. 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.

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 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. 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 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 reprofiling 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. Naseer Ahmed	4
Mr. Muhammad Azhar	4
Mr. Muhammd Zubair	4
Mr. Seemab Ahmad Khan	4
Mr. Afzal Anjum	4
Mr. Manzar Hussain	0
Mr. Muhammad Badar Munir al Sami Alam	4

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. The names of its members are given in the Company information.

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 1.2 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 Profit / (loss) per share of the Company for the year ended June 30, 2015 was Rs. (34.71) as compared to the previous year of Rs. (9.23)

Dividends

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

Corporate Social Responsibility

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

Web presence

Annual and periodical financial statements of the Company are also available on the Company website www.gulistangroup.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
NIL	NIL	NIL	NIL	NIL

Statement on Value of Staff Retirement Benefit

As on June 30, 2015 deferred liability for gratuity is Rs. 134,955,636

Auditors

Messrs Baker Tilly Mehmood Idrees 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 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.

On behalf of the Board

Naseer Ahmed

Lahore January 09, 2018

NASEER AHMED
CHIEF EXECUTIVE

گلستان ٹیکسٹائل ملز لمیٹڈ

شیئر ہولڈرز کو دی گئی ڈائریکٹر کی رپورٹ

آپ کی کمپنی کے ڈائریکٹروں کو خوشی ہے کہ سالانہ جنرل میٹنگ کے موقع پر کمپنی کے ڈائریکٹرزکمپنی کے مالی بیانات کی رپورٹ پیش کررہے ہیں جوکہ آڈیٹرز کی رپورٹ کے ساتھ منسلک ہے یہ رپورٹ زیر جائزہ مالی سال مورخہ30جون 2015پیش کیا جارہا 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 دیاگیا۔ جس کے نتیجے میں کمپنی ہذا خام مال جس کی مدد سے موجود مشینری کو مناسب سطح کی حد تک چلاکر پیدا وار کو بڑھایا جاتامناسب 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 پراورکمپنی کے منافع کی صلاحیت پر بری طرح اثراپڑا۔ جبکہ اس کے برعکس موجودہ بدترین حالات کے باوجود انتظامیہ کمپنی کی ملز کو چلانے کی ہر ممکن سرتوڑکوشش کررہی ہے۔ قرضہ بڑھانے کی سخت شرائط، بلند شرح سود، منسلکہ لیکیوڈٹی کے مسائل نے کمپنی کو مجبور کیا کہ وہ اپنے قرض اور واجبات کی ادائگیوں کیلئے مزید وقت حاصل کرے جو کہ گفت وشنید کے بعداس 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 کرقرض 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 کوسراہا /منظور کیا ہے۔ اگر ایک دفعہ ہم اپنی اس منصوبہ بندی کو پورا کرنے میں کامیاب ہوگئے 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 اثرانداز ہورہے ہیں۔ اور انتظامیہ اپنے مالی امور کی تشکیل نواور بہتر منصوبہ بندی کرکے کمپنی کو ایک منافع بخش کمپنی بنانے کیلئے پرعظم 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 کسٹمرز کو بہتر سے بہتر خدمات باہم پہنچائے گی۔

آپریٹنگ (کام کی سرگرمیوں)اور مالی کارکردگی کا جائزہ

2015	2014	کام کی نوعیت
359,651,884	1,589,254,582	سیلز
(551,162,868)	(649,635,714)	مجموعی نقصان
(1,871,228)	(33,480,336)	مالیاتی لاگت
(658,903,847)	(203,538,977)	ٹیکس دینے سے پہلے کا نقصان
(86,903,627)	28,279,195	ٹیکس
(745,807,474)	(175,259,782)	ٹیکس دینے کے بعد کا نقصان

مستقبل کی تصویر کشی

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 کررہی 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 اوردرآمدی اشیاء کی قیمتوں میں اضافے ، دو عددی افراط زراوربجلی کی طویل لوڈشیڈنگ کی وجہ سے ہوئی جس کی وجہ سے ٹیکسٹائل سیکٹر کوشدید حالات کا سامنہ ہے۔

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

اس کے برعکس کمپنی کی توجہ اپنے کسٹمر ز کے ساتھ تعلقات کو مستحکم کرنے پراور اپنے پیدواری حجم کو معقول کرنے اوراپنی قیمتوں کے تعین کے اہداف کے حصول پرمرکوز رکھے ہوئے ہے تاکہ منافع میں اضافہ ہوسکے۔

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 ہوسکے گا۔

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

منافع میں اضافہ اور کارکردگی میں ترقی کیلئے کمپنی کی طرف سے طویل المدت اوراہم 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 کردے 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 ہوجائے گی لیکن اس شرط پر کہ بیرونی طور پر کوئی ایسے ناگہانی حالات نہ پیدا ہوجائیں جیسا کہ زبردست توانائی کا بحران اور عالمی مارکیٹ کے برے حالات وغیرہ۔

آڈیٹرز کی طرف سے اٹھائے گئے اعتراضات

آڈیٹر نے اس معاملے میں تشویش کا اظہار کیا ہے کہ کمپنی نے ابھی تک بینک ہائے و دیگر 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 پرسے 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 بنارہے ہیں اور سندھ ہائی کورٹ کی منظور ی کے بعد ایک معاہدہ مابین فریقین برائے حصول قرضہ کمپنی اور متعلقہ بینک ہائے کے درمیان طے پاجائے گا۔

اور اس معائدہ کی شرائط و ضوابط کے مطابق کمپنی اور اسکی مخالف اداروں کے درمیان جاری تمام قانونی کاروائیاں ختم ہوجائیں گی اور فریقین ہر طرح کی قانو نی کاروائی سے دستبردار ہوجائیں گے۔

انتظامیہ ہر ممکن کوشش کررہی 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 مؤثر 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 کاروائ چل رہی ہے اس سلسلہ میں کمپنی نے سود پر اضافی سود کی ادائیگی کے تقاضے کو رد کردیا 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 جاری ہوجائیں 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 چلاسکے گی۔اور لوکل اور عالمی مارکیٹ کے پریشر کو برداشت کرسکے گی اور ملکی توانائی کے بحران سے لڑ سکے گی۔

کارپوریٹ گورنینس

آپ کی کمپنی سیکورٹیز اور ایکسچینج کمیشن آف پاکستان کے قوانین پر بہرصورت عمل پیرا ہے اور اس کے مطابق اپنے داخلی مالی و دیگر معاملات کے کنٹرول کی پالیسیز کوبہتر 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 ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے۔

نام ڈائریکٹر	میٹنگ میں حاضری
نصیر احمد	4
محمد اظہر	4
محمد زبیر	4
سیماب احمد خان	4
افضل انجم	4
منظر حسین	0
محمد بدر منیر السمیع عالم	4

جو ارکان شامل ہونے سے 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 تشکیل دی ہے۔ ان اراکین کے نام کمپنی کی معلومات میں د ئے گئے ہیں۔

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 - ان اراکین کے نام کمپنی کی معلومات میں د ئے گئے ہیں۔

انٹرنل آڈٹ کا طریقہ کار (فرائض)

بورڈ آف ڈائریکٹرز نے مناسب اور مؤثر داخلی مالی کنٹرول سسٹم بنایا ہے اور اس پرسختی 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 نظرثانی کیا اور جہاں پر ضروری سمجھا انہوں نے دی گئی سفارشات اور مشاہدات کی روشنی میں مناسب کاروائی کی -

کارپوریٹ گورننس اور مالیاتی رپورٹنگ کے فریم ورک

کارپوریٹ گورننس کے ضابطہ کے مطابق ڈائریکٹر کو بخوش اسلوبی 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 چہر ے کی عکاسی کرے اور کمپنی کے آپریشن کے نتائج /ماحاصل/منافع/نقصان، کیش فلو اور ایکوئٹی 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 تیار ی اور اس سلسلہ میں معقول اور دانشمندانہ فیصلےکیے جائیں۔
- بین الاقوامی اکاؤنٹنگ سٹینڈرڈز جو کہ پاکستان میں لاگو ہیں کے مطابق مالی امور کا بیان تیار کیا جائے۔
- انٹرنل مالی ونظم و ضبط کا کنٹرول کا سسٹم موثر اور مستحکم ہو اس کا نفاذ کا مناسب مانیٹرنگ سسٹم موجود ہو۔

شیئر ہولڈنگ کا پیٹرن

- بورڈ کے ڈائریکٹرز کو مالی امور کے بیان کے پیرا نمبر2-1میں دیے گئے ضابطہ کے سلسلہ میں کسی قسم کی کوئی خلاف ورزی نہ ہو۔
- کارپوریٹ گورننس کے سلسلہ میں بہتر ین طریقوں کو اختیار کیاجائے جن کا ذکر سٹاک ایکسچینج کے قوانین میں ہے اور کوئی خلاف ورزی سامنےنہ آئے۔
- گزشتہ 6 سالوں کاآپریٹنگ اور مالی امور کا کلیدی ڈاٹا 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 ڈائریکٹر 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 شیئر زکی حالیہ قیمت، کمپنی کا نقصان برائے اختتامی دورانیہ 30جون 2015 ،فی شیئر(34.71) روپے ہے جو کہ پچھلے سال (9.23) روپے فی شیئر تھا۔

منافع

متذکرہ بالا پیش کردہ امور کی روشنی میں بورڈ ڈائریکٹر ز نے اختتامی دورانیہ 30جون 2015کیلئے 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 متعرف کروایا گیا ہے۔

کارپوریٹو سماجی ذمہ داری

آپکی کمپنی کارپوریٹو 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.gulistangroup.com.pk پر شیئر ہولڈرزاور دیگران کی آگاہی کیلئےموجود ہے ۔

متعلقہ فریقین کے ساتھ لین دین

متعلقہ فریقین کے ساتھ لین دین کو آرمز لنگتھ پرائسز کے قانون کے مطابق کیا جاتا ہے جو کہ "کمپیرڈ ان کنٹرولڈ پرائس میتھڈ" کے مطابق طے شدہ ہے۔ کمپنی ہذا کارورپوریٹ گورننس کے بہتر ین 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 ایگزیکٹوآفیسران،چیف فنانشل آفیسر، کمپنی سیکرٹری ، ڈائریکٹرز اور ان کی ازواج/خاوند اوربچوں کی طرف سے کمپنی کے شیئر کا کاروبار کیا گیا۔جس کی تفصیل درج ذیل ہے:

نام	اوپننگ بیلینس مورخہ 2014-07-01	خریداری	فروخت	کلوزنگ بیلینس مورخہ 2015-06-30
کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں

عملہ کے ریٹائرمنٹ کے بینفٹ کی قیمت کابیان

دورانیہ برائے مورخہ 30جون2015 ڈیفر ڈلائبلٹی برائے گریچوٹی کی رقم 134,955,636روپے مختص کی گئی ہے۔

آڈیٹرز

میسرز باقر تلی محمود ادریس قمر، چارٹر اکاونٹنٹس نے اپنی کمپنی دوبارہ مقرر کرنے کی پیشکش کی ہے اور آڈٹ کمیٹی نے بھی ان کی بطور کمپنی کے بیرونی آڈیٹرزبرائے اگلے مالی سال 2015-2016کی تعیناتی کی سفارش /منظوری کی ہے۔

ضابطہ برائے کارپوریٹ گورننس کے مطابق30جون2015تک کا شیئر ہولڈنگ کا پیٹرن لف رپورٹ ہذ ا ہے۔

تحسینی اعترافات

آخر میں ہم اس موقع کا فائدہ اٹھاتے ہوئے چاہیں گے کہ اپنے کسٹمرز ،اور مالی ادارے /بینکرزکا 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 اداکرتے 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 اورobjectivesکا تعین کرتے ہیں۔

Naseer Ahmed

بورڈ آف ڈائریکٹرزکی طرف /جانب سے

نصیراحمد ،

چیف ایگزیکٹو

لاہور، 9 جنوری 2018

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For the Year Ended June30, 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. Naseer Ahmed and Muhammad Arshad
Independent Director	Mr. Zubair Hussain Akhtar
Non-Executive Directors	Mr. Waqar Ahmad , Mr. Muhammad Arif, Mr. Mian Khalid Nasim, Mr. Zafar Iqbal

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 tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI 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 dates 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 Company has arranged so far directors training program for one director and one(1) Directors of the Company are exempt from directors training program due to 14 years of education and approximately over 14 years of experience on the board of a listed company.
10. 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.
11. 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.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. 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.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an audit committee. It comprises three members, of whom two are non-executive directors including the chairman of the committee
16. 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.
17. 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.

18. 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.
19. 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.
20. 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.
21. 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..
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with.

Naseer Ahmed

Lahore: January 9, 2018

CHIEF EXECUTIVE

KEY OPERATING & FINANCIAL DATA FOR THE LAST SIX YEARS

	2015 RUPEES	2014 RUPEES	2013 RUPEES	2012 RUPEES	2011 RUPEES	2010 RUPEES
OPERATING RESULTS						
TOTAL NUMBER OF SPINDLES INSTALLED	131,936	131,936	131,936	131,936	131,936	137,056
AVERAGE NUMBER OF SPINDLES WORKED	20,468	46,932	62,529	91,013	125,371	118,829
NUMBER OF SHIFTS WORKED PER DAY	1 to 3	1 to 3	1 to 3	2 to 3	3	3
INSTALLED CAPACITY AFTER CONVERSION INTO 20'S	40,956,000	40,956,000	40,956,000	41,067,000	41,329,000	42,542,000
ACTUAL PRODUCTION AFTER CONVERSION INTO 20'S	7,654,715	12,467,423	15,841,569	24,560,641	38,445,276	37,978,682
SALES - NET	359,651,884	1,589,254,582	2,678,373,714	5,689,048,839	9,678,222,127	7,280,608,729
GROSS PROFIT / (LOSS)	(551,162,868)	(649,635,714)	(748,646,437)	(4,474,806,614)	1,445,575,076	1,279,914,267
OPERATING PROFIT / (LOSS)	(658,181,594)	(730,550,665)	(882,845,598)	(4,763,141,547)	1,108,291,297	1,095,415,368
OTHER OPERATING (INCOME)	(1,148,975)	(799,836,377)	(84,038,850)	(65,508,339)	(24,781,596)	(20,675,638)
FINANCIAL EXPENSES	1,871,228	33,480,336	66,613,968	694,418,978	928,345,586	876,279,467
SHARE OF LOSS/(PROFIT) OF ASSOCIATED COMPANIES	-	15,573,498	260,381,991	2,377,380,028	(140,260,233)	(89,172,804)
OTHER CHARGES	-	223,770,854	3,576,862	1,675,574,098	12,743,157	17,256,076
PROFIT FOR THE YEAR BEFORE TAXATION	(658,903,847)	(203,538,977)	(1,129,379,569)	(9,445,006,312)	332,244,383	311,728,267
PROFIT FOR THE YEAR AFTER TAXATION	(745,807,474)	(175,259,782)	(1,098,246,003)	(9,322,378,517)	250,448,041	222,953,526
SHARE FROM ASSOCIATES OF INCREMENTAL DEPRECIATION-NET	-	33,105,666	94,139,852	-	-	-
SHARE OF REVALUATION OF PROPERTY,PLANT & EQUIPMENT REALIZED ON DISPOSAL OF EQUITY INSTRUMENTS	-	-	260,535,898	-	-	-
TRANSFER FROM SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT OF INCREMENTAL DEPRECIATION-NET OF TAX	57,142,594	57,895,794	58,261,761	-	-	-
DIVIDEND PAID	-	-	-	9,281,028	9,289,335	-
ISSUED BONUS SHARES	-	-	-	-	-	17,258,090
REVALUATION SURPLUS REALIZED	-	-	-	920,387	-	-
REVERSAL OF REVALUATION SURPLUS ASSOCIATES	-	(2,228,266,724)	-	-	-	-
UN-RECOGNISED ACTAURIAL LOSS	-	-	(32,586,865)	10,808,792	-	-
GAIN ON RE-MEASURMENTS OF STAFF RETIREMENTS BENEFITS-GRATUITY	(14,988,928)	1,278,454	-	-	-	-
DEFERRED TAX RELATING TO GAIN ON RE-MEASUREMENT OF STAFF RETIREMENT BENEFITS - GRATUITY	(4,796,457)	-	-	-	-	-
UNAPPROPRIATED PROFIT C/F	(6,903,096,436)	(6,224,624,027)	(8,367,353,975)	(7,649,458,618)	1,692,089,332	1,450,930,626
FINANCIAL POSITION						
PAID UP CAPITAL	189,838,990	189,838,990	189,838,990	189,838,990	189,838,990	189,838,990
SHARE HOLDER'S EQUITY	(6,136,508,731)	(5,452,761,228)	(7,594,513,591)	(6,876,618,234)	2,464,929,716	2,223,771,010
REDEEMABLE CAPITAL(TFC) / LONG TERM LOANS	-	-	-	-	757,499,332	534,387,709
LONG TERM LOANS FROM DIRECTORS / RELATED PARTIES	423,800,000	423,800,000	423,800,000	423,800,000	423,800,000	263,800,000
OBLIGATION UNDER FINANCE LEASES	-	-	-	-	251,037,898	352,110,479
DEFERRED LIABILITIES	597,253,518	1,157,676,873	1,205,046,502	862,274,747	217,730,300	207,705,880
SHORT TERM BORROWINGS	5,424,305,245	5,424,466,776	6,114,488,671	6,054,722,175	5,096,167,112	4,434,564,884
OTHER CURRENT LIABILITIES	2,639,722,998	2,591,073,662	2,568,122,738	2,495,172,574	1,517,646,217	969,501,327
FIXED ASSETS	3,564,383,844	5,795,845,215	5,925,853,508	6,075,718,872	2,420,439,224	2,320,229,285
LONG TERM INVESTMENTS	-	5,275,094	15,573,498	462,983,218	1,576,642,430	1,426,328,630
INVESTMENT PROPERTY	-	-	141,404,050	121,571,250	73,038,100	73,514,850
LONG TERM DEPOSITS / DEFERRED COST	8,106,098	8,434,628	8,434,628	8,350,588	37,684,900	42,520,972
STOCKS & STORES	441,917,295	809,598,959	1,219,679,962	1,326,522,139	5,538,667,404	3,910,058,758
DEBTORS	55,269,422	115,179,182	297,738,825	521,420,668	1,174,834,849	1,417,133,243
OTHER CURRENT ASSETS	163,469,317	174,521,017	217,096,204	442,385,880	443,445,642	309,396,723

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 Textile Mills Limited** (" the Company") for the year ended **June 30, 2015** to comply with the requirement 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, 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 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 control or to form 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 of 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 of proper jurisdiction for using such alternate prices 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 of the Company with the requirements of the Code were observed, which are not stated in the Statement of compliance:

i. During the year, none of the directors of the Company has obtained certification under 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 the 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 it supporting policies and procedures.

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 Statement 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: January 09, 2018

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Gulistan Textile 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) and (d) 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 1.2 to the financial statements, these financial statements have been prepared on going concern basis. The Company has accumulated losses of Rs. 6,903.09 million as at June 30, 2015, shareholder's equity is negative by Rs. 6,136.50 million and as of that date the Company's current liabilities exceed its current assets by Rs. 7,403.37 million. The Company is facing several operational and financial constraints, is in litigation with several banking companies and financial institutions with the claims pending adjudication against the Company aggregating in excess of Rs. 8,812.18 million. As mentioned in note 32.1.1, banking companies and financial institutions have blocked working capital lines and petition for winding-up of the Company had been presented and order of winding up was passed by the Honourable High Court of Sindh, which however, set a side by the Honourable Supreme Court of Pakistan and proceeding for winding-up is still in process as explained in note 32.1.3. The accompanying financial statements have been prepared on going concern basis on the assumptions that the Company will be able to restart its operations in near future and the outcome of the pending litigation against the Company will results in favourable decisions, however, certain key assumptions in the financial and operational plans are not ascertainable barring the credit lines being restructured and may only be evaluated upon ultimate outcome of pending litigation. 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. 2,588.12 million, including balance of Rs. 730.53 million for the current year, has not been accrued in these financial statements, thereby, reducing loss for the current year by Rs. 730.53 million and reducing shareholders' equity and current liabilities by Rs. 2,588.12 million as fully detailed in note 28.1 to the financial statements.

(c) we have not received year end confirmation certificates from banks and financial institutions in respect of bank balances aggregating Rs. 58.21 million (note 17.4) and short-term borrowings aggregating Rs. 5,105.38 million (note 29.3) and long-term finances from banking companies aggregating Rs. 819.50 million (note 24 and 30). No confirmations have been received in respect of lease deposits (note 8.1), liabilities against assets subject to finance lease aggregating Rs. 429.47 (note 25 and 30), payables against overdue letters of credit (note 27.1), foreign bills payable (note 27.2) and accrued mark-up / interest (note 28 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) stock-in-trade aggregating Rs. 152,299,146 has not been verified.

(e) in our opinion, except for the matters detailed in aforementioned paragraphs (a) to (d) proper books of account have been kept by the Company as required by the Companies Ordinance, 1984.

(f) in our opinion:

(i) except for the matters detailed in aforementioned paragraphs (a) to (d) 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.

(g) in our opinion, because of the significance of the matters discussed in paragraph (a) to (d), above, the financial statements do not present fairly the financial position of the Company as at June 30, 2015 and of its financial performance, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan and requirements of the Companies Ordinance, 1984.

(h) 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: January 09, 2018

BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,564,383,844	5,795,845,215
Long-term investments	7	-	5,275,094
Long-term deposits	8	8,106,098	8,434,628
		3,572,489,942	5,809,554,937
CURRENT ASSETS			
Stores, spare parts and loose tools	9	33,374,447	66,748,893
Stock-in-trade	10	408,542,848	742,850,066
Trade debtors	11	55,269,422	115,179,182
Loans and advances	12	18,176,285	24,753,720
Trade deposits	13	44,930,859	45,010,750
Other receivables	14	7,224,825	8,394,357
Other financial assets	15	-	23,744,497
Tax refunds due from Government	16	33,586,227	36,130,435
Cash and bank balances	17	59,551,121	36,487,257
		660,656,034	1,099,299,158
Non-current assets classified as held for sale	18	23,176,212	23,176,212
TOTAL ASSETS		4,256,322,188	6,932,030,307
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	19	189,838,990	189,838,990
Reserves	20	576,748,715	582,023,809
Accumulated losses		(6,903,096,436)	(6,224,624,027)
Total equity		(6,136,508,731)	(5,452,761,228)
Surplus on revaluation of property, plant and equipment	21	1,282,800,101	2,762,717,867
Sub-ordinated loan	22	423,800,000	-
Deferred income	23	116,245	223,545
NON-CURRENT LIABILITIES			
Long-term finance	24	-	423,800,000
Liabilities against assets subject to finance lease	25	-	-
Deferred liabilities	26	597,253,518	1,157,676,873
		597,253,518	1,581,476,873
CURRENT LIABILITIES			
Trade and other payables	27	1,324,682,063	1,274,303,466
Accrued mark-up / interest	28	64,697,220	64,786,835
Short-term borrowings	29	5,424,305,245	5,424,466,776
Current portion of non-current liabilities	30	1,248,969,234	1,250,608,880
Provision for taxation		1,374,481	1,374,481
		8,064,028,243	8,015,540,438
Liabilities directly associated with non-current assets classified as held for sale	31	24,832,812	24,832,812
Contingencies and commitments	32	-	-
TOTAL EQUITY AND LIABILITIES		4,256,322,188	6,932,030,307

The annexed notes from 1 to 51 form an integral part of these financial statements.

Nazeer Ahmed

CHIEF EXECUTIVE

DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Sales - net	33	**359,651,884**	1,589,254,582
Cost of sales	34	**(910,814,752)**	(2,238,890,296)
Gross loss		**(551,162,868)**	(649,635,714)
Distribution cost	35	**240,010**	9,284,833
Administrative expenses	36	**31,054,331**	71,630,118
Other operating expenses	37	**75,724,385**	223,770,854
		(107,018,726)	(304,685,805)
Loss from operations		**(658,181,594)**	(954,321,520)
Other income	38	**1,148,975**	799,836,377
Finance cost	39	**(1,871,228)**	(33,480,336)
		(658,903,847)	(187,965,479)
Share of loss of associated companies		**-**	(15,573,498)
Loss before taxation		**(658,903,847)**	(203,538,977)
Taxation	40	**(86,903,627)**	28,279,195
Loss after taxation		**(745,807,474)**	(175,259,782)
Loss per share - basic and diluted	41	**(34.71)**	(9.23)

The annexed notes from 1 to 51 form an integral part of these financial statements.

Naseer Ahmed

CHIEF EXECUTIVE

DIRECTOR

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

	Note	2015 Rupees	2014 Rupees
Loss after taxation		(745,807,474)	(175,259,782)
Other comprehensive income / (loss):			
Items that may be reclassified to profit or loss			
Unrealized loss on available for sale investment	7.2	(5,275,094)	(977,585)
Items that will not be reclassified to profit or loss			
Gain on re-measurement of staff retirement benefits - gratuity	26.1.1	14,988,928	(1,278,454)
Deferred tax relating to gain on re-measurement of staff retirement benefits - gratuity		(4,796,457)	-
		10,192,471	(1,278,454)
Total comprehensive loss for the year		(740,890,097)	(177,515,821)

The annexed notes from 1 to 51 form an integral part of these financial statements.

Naseem Ahmed
CHIEF EXECUTIVE

DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(658,903,847)**	(203,538,977)
Adjustments for non-cash charges and other items:			
Depreciation		**139,144,939**	143,693,324
Provision for staff retirement benefits - gratuity		**35,741,457**	28,354,134
Provision for slow moving stores, spare parts and loose tools		**33,374,447**	-
NRV loss on stock-in-trade		**222,346,576**	-
Finance cost		**1,871,228**	33,480,336
Share of loss of associated companies		**-**	15,573,498
Interest income		**(9,764)**	(2,759,993)
Provision for doubtful debts and advances		**71,842,579**	197,077,482
Gain on disposal of property, plant and equipment		**-**	(6,358,893)
Loss on disposal of investment property		**-**	20,301,577
Gain on sale of equity investment in associated undertakings		**-**	(790,263,289)
Credit balances written back		**-**	(247,321)
Gain on rescheduling of liability against asset subject to finance lease		**(1,031,911)**	-
Amortization of deferred income		**(107,300)**	(107,301)
Loss before working capital changes		**(155,731,596)**	(564,795,422)
Changes in working capital	42	**161,248,664**	671,562,816
Cash generated from operations		**5,517,068**	106,767,395
Finance cost paid		**(1,960,843)**	(26,196,135)
Income tax paid		**(471,179)**	(1,747,503)
Staff retirement benefits - gratuity paid		**(3,334,707)**	(15,846,604)
Net cash (used in) / from operating activities		**(249,661)**	62,977,153
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments against purchase of property, plant and equipment		**-**	(17,920,458)
Proceeds from sale of property, plant and equipment		**-**	10,594,320
Receipts against long-term deposits		**328,530**	-
Interest received		**9,764**	759,998
Net cash from / (used in) investing activities		**338,294**	(6,566,141)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		**-**	(15,068,682)
Repayment of liabilities against assets subject to finance lease		**(607,735)**	(3,046,342)
Repayment of short-term borrowings		**(161,531)**	(49,358,341)
Net cash used in financing activities		**(769,266)**	(67,473,365)
Net decrease in cash and cash equivalents during the year		**(680,633)**	(11,062,352)
Cash and cash equivalents at beginning of the year		**60,231,754**	71,294,107
Cash and cash equivalents at end of the year	44	**59,551,121**	60,231,754

The annexed notes from 1 to 51 form an integral part of these financial statements.

Nateem Ahmed

CHIEF EXECUTIVE **DIRECTOR**

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

	Share capital	Reserves				Total
		Capital		Revenue		
		Share premium	Unrealized loss on available for sale investment	General	Accumulated loss	
	----------	----------	----------	Rupees	----------	----------
Balance as at July 01, 2013	189,838,990	379,080,000	-	203,921,394	(8,367,353,975)	(7,594,513,591)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	-	57,895,794	57,895,794
Share from associates of incremental depreciation - net of tax	-	-	-	-	33,105,666	33,105,666
Transfer from surplus on revaluation of property, plant and equipment on account of cessation of associates under equity method	-	-	-	-	2,228,266,724	2,228,266,724
Total comprehensive loss for the year	-	-	(977,585)	-	(176,538,236)	(177,515,821)
Balance as at June 30, 2014	189,838,990	379,080,000	(977,585)	203,921,394	(6,224,624,027)	(5,452,761,228)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	-	57,142,594	57,142,594
Total comprehensive loss for the year	-	-	(5,275,094)	-	(735,615,003)	(740,890,097)
Balance as at June 30, 2015	**189,838,990**	**379,080,000**	**(6,252,679)**	**203,921,394**	**(6,903,096,436)**	**(6,136,508,731)**

The annexed notes from 1 to 51 form an integral part of these financial statements.

Naseem Ahmed

CHIEF EXECUTIVE

DIRECTOR

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

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Gulistan Textile Mills Limited, ("the Company"), was incorporated on February 02, 1966 in Pakistan as a private company limited by shares and was converted into public limited company on April 11, 1966. The shares of the Company are listed at Karachi and Lahore Stock Exchanges (now Pakistan Stock Exchange Limited) in Pakistan. The registered office of the Company is located at 2nd Floor, Finlay House, I. I. Chundrigar Road, Karachi. The Company is principally engaged in the manufacture and sale of yarn, fabrics and other ancillary products. The manufacturing units are located at Samma Satta, Tiba Sultanpur and Feroz Wattwan.

1.2 Going concern assumption

The Company has accumulated losses of Rs. 6,903.09 million as at June 30, 2015 and as at that date its current liabilities exceeded its current assets by Rs. 7,403.37 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 32.1.1 to the financial statements. Further as mentioned in note 32.1.3 a petition for the winding-up of the Company had been filed in the Honorable Sindh High Court. The Honorable High Court of Sindh through its order no J.Misc no. 1 dated December 12, 2013 had ordered the winding-up of the Company. Subsequently, the Honorable Supreme Court of Pakistan vide its order dated February 25, 2014 has set aside the impugned judgment of the Honorable High Court of Sindh and remanded the matter. 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. 160 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. However, mark-up charged will be increased to a maximum of 10.00% per annum or 6 month KIBOR, whichever is lower, provided such mark-up can be serviced through future increase in the Company's EBIDA as agreed in the financial model provided by the Company, payable from July 1, 2016 on quarterly basis.

(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 etcetera.

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 terms, 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 39 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	**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 5.16);

(ii) Net realisable values of stores, spares and loose tools and stock-in-trade (notes 5.7 and 5.8);

(iii) Provision for doubtful trade debtors (note 5.15);

(iv) Provision for staff retirement benefit - gratuity (note 5.9); and

(v) Provision for taxation (note 5.10).

5 SIGNIFICANT ACCOUNTING POLICIES

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

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 freehold land which is measured at revalued amount less accumulated impairment losses, buildings, power houses and plant and machinery which are measured at revalued amount less accumulated depreciation and accumulated impairment losses.

Capital work-in-progress is stated at cost less any identified accumulated impairment losses and represent expenditures connected with specific assets incurred during the construction period. 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 and leasehold 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

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of assets. The related obligation of leases is accounted for as liability. Finance cost is allocated to accounting periods in a manner so as to provide a constant periodic rate of finance cost on the remaining balance of principal liability for each period.

Depreciation is charged to income at the rates stated in note 6.1 applying reducing balance method to write-off the carrying amount of the asset over its estimated remaining useful life in view of certainty of ownership of assets at the end of lease period.

Finance cost and depreciation on leased assets are charged to income currently.

Income arising from sale and lease back transaction, if any, which results in finance lease, is deferred and amortized equally over the lease period.

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 are 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.

Other investments

The other investments made by the Company are classified for the purpose of measurement into the following categories;

Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of selling in the near term are classified as investment at fair value through profit or loss. These are stated at fair values at balance sheet date with any change in fair value recognized directly in the profit and loss account. The fair value of such investments are determined on the basis of prevailing market prices at balance sheet date.

Investment held to maturity

Investments with fixed maturity that the management has the intent and ability to hold till maturity, are classified as 'held to maturity' and are initially measured at cost and at subsequent reporting dates measured at amortized cost using the effective yield method.

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 value and gains or losses from change in fair value 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.

5.5 Long-term deposits

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

5.6 Investment property

Investment property, which is held for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from the changes in the fair value of the investment property are charged to profit and loss for the period in which they arise.

5.7 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.

5.8 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.

5.9 Staff retirement benefits - gratuity

The Company operates an unfunded gratuity scheme covering for all its permanent employees who have attained 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.

5.10 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 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 assets are 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.

5.11 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 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.

5.12 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.

5.13 Revenue recognition

Revenue is recognized on dispatch of goods or on performance of services. Return on deposits is recognized on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

Income on deposits are recorded using the effective interest rate on accrual basis.

Dividend income on investment is recognized when the right to receive the dividend have been established.

5.14 Foreign currency translations

Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupee on the date of transaction or on the date when fair values are determined. Exchange differences are included in profit and loss account of the period.

5.15 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 debtors, 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.

Derivative financial instruments

The company uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments. Such derivatives are initially recorded at cost, if any and are remeasured to fair value at subsequent date (except those having immaterial financial impact or which do not meet criteria for hedge accounting).

Changes in the fair value of derivative financial instruments that are designated and effective as hedge of future cash flows relating to firm commitments are recognized directly in equity. Amount deferred in the equity is recognized in the profit and loss account in the same period in which the hedged firm commitment affects the net profit or loss.

5.16 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.

5.17 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.

5.18 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**	**3,564,383,844**	5,795,845,215

6.1 **Property, plant and equipment**

	Owned assets										Leased assets			
	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Power houses	Tools and equipments	Furniture and fixture	Computers	Vehicles	Plant and machinery	Power houses	Vehicles	Total
	Rupees													
Cost														
Balance as at July 01, 2013	590,212,000	72,800,000	838,944,418	225,267,000	2,575,877,423	465,701,000	37,902,812	19,277,069	5,607,089	40,098,884	1,156,518,598	111,426,485	13,236,108	6,152,868,885
Additions during the year	-	-	-	-	10,975,237	6,912,831	-	32,390	-	-	-	-	-	17,920,458
Disposals / transfer	-	-	-	-	-	-	-	(400,000)	-	(14,779,803)	-	-	-	(15,179,803)
Balance as at June 30, 2014	590,212,000	72,800,000	838,944,418	225,267,000	2,586,852,660	472,613,831	37,902,812	18,909,459	5,607,089	25,319,081	1,156,518,598	111,426,485	13,236,108	6,155,609,540
Balance as at July 01, 2014	590,212,000	72,800,000	838,944,418	225,267,000	2,586,852,660	472,613,831	37,902,812	18,909,459	5,607,089	25,319,081	1,156,518,598	111,426,485	13,236,108	6,155,609,540
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2015	**590,212,000**	**72,800,000**	**838,944,418**	**225,267,000**	**2,586,852,660**	**472,613,831**	**37,902,812**	**18,909,459**	**5,607,089**	**25,319,081**	**1,156,518,598**	**111,426,485**	**13,236,108**	**6,155,609,540**
Depreciation														
Balance as at July 01, 2013	-	-	20,752,508	5,631,675	64,383,656	18,628,040	28,740,641	11,863,098	3,753,687	31,325,659	28,912,965	4,457,059	8,566,389	227,015,377
Charge for the year	-	-	20,454,797	5,490,883	62,811,366	17,905,960	916,217	729,061	617,739	1,364,439	28,190,141	4,278,777	933,944	143,693,324
Depreciation on disposals	-	-	-	-	-	-	-	(97,442)	-	(10,846,934)	-	-	-	(10,944,376)
Balance as at June 30, 2014	-	-	41,207,305	11,122,558	127,195,022	36,534,000	29,656,858	12,494,717	4,371,426	21,843,164	57,103,106	8,735,836	9,500,333	359,764,325
Balance as at July 01, 2014	-	-	41,207,305	11,122,558	127,195,022	36,534,000	29,656,858	12,494,717	4,371,426	21,843,164	57,103,106	8,735,836	9,500,333	359,764,325
Charge for the year	-	-	19,943,428	5,353,611	61,491,441	17,443,193	824,595	641,474	411,846	695,183	27,485,387	4,107,626	747,155	139,144,939
Balance as at June 30, 2015	-	-	**61,150,733**	**16,476,169**	**188,686,463**	**53,977,193**	**30,481,453**	**13,136,191**	**4,783,272**	**22,538,347**	**84,588,493**	**12,843,462**	**10,247,488**	**498,909,264**
Rate of depreciation	-	-	2.50%	2.50%	2.50%	4%	10%	10%	33.33%	20%	2.50%	4%	20%	
Written down value as at June 30, 2014	590,212,000	72,800,000	797,737,113	214,144,442	2,459,657,638	436,079,831	8,245,954	6,414,742	1,235,663	3,475,917	1,099,415,492	102,690,649	3,735,775	5,795,845,215
Written down value as at June 30, 2015 before impairment loss	590,212,000	72,800,000	777,793,685	208,790,831	2,398,166,197	418,636,638	7,421,359	5,773,268	823,817	2,780,734	1,071,930,105	98,583,023	2,988,620	5,656,700,276
Impairment loss charged during the year (note 21.1.2)	-	-	77,779,368	20,879,083	1,199,083,099	209,318,319	-	-	-	-	535,965,052	49,291,511	-	2,092,316,432
Written down value as at June 30, 2015 after impairment loss	**590,212,000**	**72,800,000**	**700,014,317**	**187,911,748**	**1,199,083,098**	**209,318,319**	**7,421,359**	**5,773,268**	**823,817**	**2,780,734**	**535,965,053**	**49,291,512**	**2,988,620**	**3,564,383,844**

	Note	2015 Rupees	2014 Rupees
6.2 Depreciation charge has been allocated as follows;			
Cost of goods manufactured		**136,211,124**	139,561,300
Administrative expenses		**2,933,815**	4,132,024
		139,144,939	143,693,324

6.3 The Company has revalued its freehold land, leasehold land, building on freehold land, building on leasehold land, plant and machinery, power house, leasehold plant and machinery and leasehold power house 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		**11,941,615**	11,941,615
Leasehold land		**150,000**	150,000
Buildings on freehold land		**178,843,480**	183,429,210
Buildings on leasehold land		**74,354,275**	76,260,795
Plant and machinery		**938,462,074**	962,525,204
Power houses		**121,541,124**	126,605,337
Leased assets			
Plant and machinery		**532,145,673**	545,790,434
Power houses		**60,650,535**	63,177,641
		1,918,088,776	1,969,880,237

7 LONG-TERM INVESTMENTS

	Note	2015 Rupees	2014 Rupees
Long-term investments in;			
- investment in associate - under equity method	7.1	-	-
- other investments - available for sale	7.2	-	5,275,094
- investment property	7.3	-	-
		-	5,275,094

	Note	2015 Rupees	2014 Rupees
7.1 Investments in associates - under equity method			
Quoted companies			
Gulshan Spinning Mills Limited	7.1.1	-	-
Paramount Spinning Mills Limited	7.1.2	-	-
Gulistan Spinning Mills Limited	7.1.3	-	-
Unquoted companies			
Gulshan Weaving Mills Limited	7.1.4	-	-
Gulistan Fibres Limited	7.1.5	-	-
		-	-

		Note	2015 Rupees	2014 Rupees
7.1.1	**Gulshan Spinning Mills Limited (GSML)**			
	Nil (2014: 7,112,655) ordinary shares of Rs. 10 each - **cost**		-	132,810,913
	Equity held 0% (2014: 32%)			
	Share of post acquisition losses		-	(596,337,187)
	Dividends received		-	(16,596,196)
	Share of surplus on revaluation of property, plant and equipment		-	797,367,166
				184,433,783
	Impairment charged on investment			
	Opening balance		-	(317,244,696)
	Charged / (adjusted) in the year		-	-
				(317,244,696)
	Less: investment disposed off in the year		-	-
			-	-

Fair value of investment in associate is Rs. nil (2014: Rs. nil).

During the financial year ended June 30, 2014, the Company has disposed off its entire investment in the associated companies to pay off its outstanding liabilities. Investments in these companies was accounted for under the equity method of accounting up till the date the companies remained associated undertakings as required by International Accounting Standard (IAS 28) "Investments in Associates". The results incorporated in the financial statements were based on the latest available financial statements of the associated companies. The investment has been sold off to close family members of directors at an agreed upon price of Rs. 29.05 per share as opposed to the market value of the share at Rs. 5.30 as at the date of disposal. Sales proceed aggregating to Rs. 206,622,628 is in excess of the amount that would have been recovered had the transaction been completed on market value by Rs. 168,925,557 and accordingly the loss for the year has been reduced by the same amount. Gain on disposal of investment is presented at note 38.

	Note	2015 Rupees	2014 Rupees
7.1.2 Paramount Spinning Mills Limited (PSML)			
Nil (2014: 2,847,907) ordinary shares of Rs. 10 each - **cost**		-	10,826,584
Equity held 0% (2014: 16.41%)			
Share of post acquisition losses		-	(354,420,550)
Dividends received		-	(6,860,868)
Share of surplus on revaluation of property, plant and equipment		-	424,734,206
			63,452,788
Impairment charged on investment			
Opening balance		-	(74,279,372)
Charged / (adjusted) in the year		-	-
			(74,279,372)
Less: investment disposed off (1,880,000 shares costing Rs. 7,146,995 carrying value nil)		-	-
Fair value adjustment on cessation of equity method of investment		-	6,252,679
Less: transferred to 'Other investments - available for sale' (967,907 shares costing Rs.3,679,589, carrying value 6,252,679)		-	(6,252,679)
		-	-

Fair value of investment in associate is Rs. nil (June 2014: Rs. nil).

During the financial year ended June 30, 2014, the Company has disposed off part of the investment in the associated companies to pay off its outstanding liabilities. Investments in these companies was accounted for under the equity method of accounting up till the date the companies remained associated undertakings as required by International Accounting Standard (IAS 28) "Investments in Associates". The results incorporated in the financial statements were based on the latest available financial statements of the associated companies. The investment has been sold off to close family members of directors at an agreed upon price of Rs. 92.03 per share as opposed to the market value of the share at Rs. 6.46 as at the date of disposal. Sales proceed aggregating to Rs. 173,016,400 is in excess of the amount that would have been realized had the transaction been completed on market value by Rs. 160,871,600 and accordingly the loss for the year has been reduced by the same amount. Gain on disposal of investment is presented at note 38.

Due to above-mentioned transaction, the Company ceases to have any significant influence over the investee and has categorized the remaining investment under "Other investments -available for sale".

		Note	2015 Rupees	2014 Rupees
7.1.3	**Gulistan Spinning Mills Limited (GTSML)**			
	Nil (2014: 4,162,251) ordinary shares of Rs. 10 each - **cost**			62,578,432
	Equity held 0% (2014: 28.43 %)		-	
	Share of post acquisition losses		-	(308,940,080)
	Dividends received		-	(8,324,502)
	Share of surplus on revaluation of property, plant and equipment		-	254,686,150
				(62,578,432)
	Less: investment disposed off (4,162,251 shares costing Rs. 62,578,432/- carrying value nil)		-	-
			-	-

Fair value of investment in associate is Rs. nil (2014: Rs. nil).

During the financial year ended June 30, 2014, the Company has disposed off its entire investment in the associated companies to pay off its outstanding liabilities. Investments in these companies was accounted for under the equity method of accounting up till the date the companies remained associated undertakings as required by International Accounting Standard (IAS 28) "Investments in Associates". The results incorporated in the financial statements are based on the latest available financial statements of the associated companies. The investment has been sold off to close family members of directors at an agreed upon price of Rs. 10.00 per share as opposed to the market value of the share at Rs. 5.13 as at the date of disposal. Sales proceeds aggregating to Rs. 41,622,510 are in excess of the amount that would have been recovered had the transaction been completed on market value by Rs. 20,270,162 and accordingly the loss for the year has been reduced by the same amount. Gain on disposal of investment is presented at note 38.

		Note	2015 Rupees	2014 Rupees
7.1.4	**Gulshan Weaving Mills Limited (GWML)**			
	Nil (2014: 6,552,755) ordinary shares of Rs. 10 each - **cost**		-	68,097,000
	Equity held 0% (2014: 30.58%)			
	Share of post acquisition losses		-	(138,008,623)
	Share of surplus on revaluation of property, plant and equipment		-	525,358,440
				387,349,817
	Impairment charged on investment			
	Balance at the beginning of the year		-	(455,446,817)
	Charged / (adjusted) in the year		-	-
				(455,446,817)
	Less: investment disposed off (5,935,865 shares costing Rs. 61,686,207 carrying value nil)		-	-
	Transferred to "Other Investments - Available for sale" (616,890 shares costing Rs.6,410,793, carrying value nil)		-	-
			-	-

During the financial year June 30, 2014, the Company has disposed off part of the investment in the associated companies to pay off its outstanding liabilities. Investments in these companies was accounted for under the equity method of accounting up till the date the companies remained associated undertakings as required by International Accounting Standard (IAS 28) "Investments in Associates". The results incorporated in the financial statements are based on the latest available financial statements of the associated companies. The investment has been sold off to close family members of directors at an agreed upon price of Rs. 43.97 per share as opposed to the break-up value of the Company at Rs. 35.79 as at the date of disposal. Sales proceeds aggregating to Rs. 260,999,984 are in excess of the amount that would have been realized had the transaction been completed on break-up value by Rs. 48,559,919 and accordingly the loss for the year has been reduced by the same amount. Gain on disposal of investment is presented at note 38.

		Note	2015 Rupees	2014 Rupees
7.1.5	**Gulistan Fibres Limited (GFL)**			
	Nil (2014: 981,755) ordinary shares of Rs. 10 each - **cost**			
	Equity held 0% (2014: 49.41%)		-	7,326,000
	Share of post acquisition losses		-	(200,815,867)
	Surplus on revaluation of property, plant and equipment		-	353,366,280
				152,550,413
	Impairment charged on investment			
	Opening balance		-	(159,876,413)
	Charged / (adjusted) in the year		-	-
				(159,876,413)
	Less: investment disposed off (981,755 shares costing Rs. 7,326,000 carrying value nil)		-	-
			-	-

During the financial year June 30, 2014, the Company has disposed off its entire investment in the associated companies to pay off its outstanding liabilities. Investments in these companies was accounted for under the equity method of accounting up till the date the companies remained associated undertakings as required by International Accounting Standard (IAS 28) "Investments in Associates". The results incorporated in the financial statements are based on the latest available financial statements of the associated companies. The investment has been sold off to close family members of directors at an agreed upon price of Rs. 103.64 per share as opposed to the break-up of the share at Rs. 95.73 as at the date of disposal. Sales proceeds aggregating to Rs. 101,749,088 are in excess of the amount that would have been recovered had the transaction been completed on break-up value by Rs. 7,768,605 and accordingly the loss for the year has been reduced by the same amount. Gain on disposal of investment is presented at note 38.

		Note	2015 Rupees	2014 Rupees
7.2	**Other investments - available for sale**			
	Quoted company			
	Paramount Spinning Mills Limited			
	Transferred from 'Investments in associates - under equity method' 967,907 shares costing Rs. 3,679,589, carrying value 5,275,094 (2014: 6,252,679)		**5,275,094**	6,252,679
	Add: adjustment at measurement to fair value		**(5,275,094)**	(977,585)
	Market value at Rs. nil (2014: Rs. 5.45) per share		-	5,275,094
	Unquoted company			
	Gulshan Weaving Mills Limited			
	Transferred from 'Investments in associates - under equity method' 616,890 shares costing Rs. 6,410,793, carrying value nil (2014: Rs. nil)		-	-
	Market value at Rs. nil (2014: Rs. nil) per share		-	-
			-	5,275,094
7.3	**Investment property**			
	Balance at beginning of the year		-	141,404,050
	Disposed off during the year		-	(141,404,050)
	Balance at end of the year		-	-

During the financial year June 30, 2014, the investment property has been disposed off, to negate the on going financial crisis and to pay off its outstanding liabilities. Prior to the disposal the market value of investment property was assessed by an independent valuers "Maricon Consultants (Pvt.) Limited", registered surveyors and valuation consultants, on June 30, 2013 as Rs. 141,404,050. Valuation of property had been determined by obtaining key market data from property dealers and estate agents to ascertain the asking and selling price for properties of the same nature in the immediate neighbourhood and adjoining areas.

Disposal of investment property

Particulars of Assets	Carrying value	Sale proceeds	Loss	Mode of disposal	Particular of buyers
Office - Lakson Square Building	70,702,025	60,000,000	(10,702,025)	Negotiation	Moongi Cotton Ginning Mills Madina Cotton Industries Hasan Cotton Ginning & Pressing Sun Shine Cotton Services
Office - Lakson Square Building	70,702,025	61,102,473	(9,599,552)	Negotiation	Bajwa cotton ginning factory and oil mills.
	141,404,050	121,102,473	(20,301,577)		

		Note	2015 Rupees	2014 Rupees
8	**LONG-TERM DEPOSITS**			
	Lease key money	**8.1**	**15,368,500**	15,368,500
	Other security deposits	**8.2**	**8,106,098**	8,434,628
			23,474,598	23,803,128
	Less: transfer to current assets		**(15,368,500)**	(15,368,500)
			8,106,098	8,434,628

8.1 These are interest-free deposits given to various leasing companies, modarabas and banking companies. As detailed in note 32.1.1 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. 15.36 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, spare parts and loose tools - at mills	9.1	**97,157,444**	97,157,443
Less: provision for slow moving stores		**(63,782,997)**	(30,408,550)
		33,374,447	66,748,893

9.1 These includes Rs. 226,854 (2014: Rs. 226,854) for construction materials. These can be used for construction or repairs and maintenance. Most of these items are inter changeable in nature and can be used as machine spares or consumed as stores. It is not practicable to distinguish these until their actual usage. No stores and spare parts are held for specific capitalization.

	Note	2015 Rupees	2014 Rupees
10 STOCK-IN-TRADE			
Raw material - at mills	10.1	**215,045,156**	487,999,303
Work-in-process		-	18,858,764
Finished goods	10.2	**131,548,144**	177,865,964
Waste		**61,949,548**	58,126,035
		408,542,848	742,850,066

10.1 Raw material stock costing Rs. 437.39 million (2014: Rs. 481.35 million) has been written down at their replacement cost of Rs. 215.04 million (2014: Rs. 449.41 million). The amount charged to profit and loss in respect of stock written down to their replacement cost is Rs. 222.35 million (2014: Rs. 31.93 million).

10.2 Finished goods costing Rs. 284.69 million (2014: Rs. 248.01 million) has been written down at their net realizable value of Rs. 131.55 million (2014: Rs. 177.87 million). The amount charged to profit and loss in respect of stocks written down to their net realizable value Rs. 17.69 million (2014: Rs. 70.139 million).

10.3 All of the current assets of the Company are under banks' charge as security of short-term borrowings as disclosed in note 29.1 to these financial statements. 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 and high courts for recovery of their financial liabilities through attachment and sale of Company's hypothecated / mortgaged / charged stocks and properties as fully disclosed in note 32.1.1.

		Note	2015 Rupees	2014 Rupees
11	**TRADE DEBTORS**			
	Considered good			
	Local - unsecured		**55,269,422**	108,199,909
	Foreign - secured	**11.1**	**-**	6,979,273
			55,269,422	115,179,182
	Considered doubtful			
	Local - unsecured		**218,635,969**	154,126,332
	Foreign - secured		**23,983,761**	23,983,761
			242,619,730	178,110,093
	Provision for doubtful debts		**(242,619,730)**	(178,110,093)
			55,269,422	115,179,182

11.1 These are secured against letters of credit.

		Note	2015 Rupees	2014 Rupees
12	**LOANS AND ADVANCES - unsecured and considered good**			
	Advances to / against;			
	- employees	**12.1**	**9,953,960**	9,128,522
	- suppliers		**8,010,788**	15,335,228
	- expenses		**211,537**	289,971
	Considered doubtful			
	Advances to supplier		**26,300,331**	18,967,389
	Provision for doubtful		**(26,300,331)**	(18,967,389)
			18,176,285	24,753,720

12.1 These represent advances to employees against future salaries and post employment benefits in accordance with the Company policy. These includes advances to executives amounting to Rs. nil (2014: Rs. 252,699).

		Note	2015 Rupees	2014 Rupees
13	**TRADE DEPOSITS**			
	Finance lease deposits		**44,930,859**	44,930,859
	Margin		**-**	79,890
			44,930,859	45,010,750
14	**OTHER RECEIVABLES**			
	Sundry advances / receivables		**-**	1,169,532
	Interest accrued on bank deposits		**7,224,825**	7,224,825
			7,224,825	8,394,357
15	**OTHER FINANCIAL ASSETS**			
	Term deposit receipts	**17.3**	**-**	23,744,497
16	**TAX REFUNDS DUE FROM GOVERNMENT**			
	Advance income tax		**2,218,681**	1,747,502
	Sales tax		**31,367,546**	32,349,000
	Rebate receivable		**-**	2,033,933
			33,586,227	36,130,435
17	**CASH AND BANK BALANCES**			
	Cash-in-hand		**530,717**	654,786
	Balance with banks in;			
	- current accounts	**17.1**	**32,775,787**	32,319,163
	- deposit accounts	**17.2**	**2,500,120**	3,513,308
	- term deposit receipts	**17.3**	**23,744,497**	-
			59,551,121	36,487,257

17.1 An amount of Rs. 26.42 million (2014: Rs. 26.42 million) was frozen against unrealized foreign bills discounted by the bank.

17.2 Deposit accounts are under lien with the banks against guarantees / facilities and carry mark-up at the rate of 4.02% to 11.65% (2014: 4.02% to 11.65%).

17.3 It carries effective mark-up rate ranging from 5.0 % to 13.55 % (2014: 5.0 % to 13.55%) per annum. These are held by bank and subject to charge against deposit margin/guarantee margin and credit facility.

17.4 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 32.1.1 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 Rs. 58.21 million (2014: Rs. 34.31 million) is not available to ensure balances held with these banks.

	Note	2015 Rupees	2014 Rupees
18 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE			
Freehold land		**23,176,212**	23,176,212

Freehold land located at Raiwind has been classified and presented as non current assets held for sale following the approval of board of directors of the Company in December 2008. The management considers that the Company does not immediately need this land, while it needs the finance to meet its working capital requirements / running expenses. The chief executive is authorized on behalf of the Company to enter into the agreement to sale, to receive the consideration against the receipt, execute deed of conveyance and handover original property documents and possession to the buyer. The amount of liabilities directly associated with the non current assets classified as held for sale represent the amount received as advance for sale of this land. The completion of the transaction is expected within twelve months from the balance sheet date. The non current assets classified as held for sale and liabilities directly associated with the non current assets classified as held for sale under IFRS 5 "Non - current Assets Held for Sale and Discontinued Operations" in their respective categories are summarized accordingly. Total consideration against receipts has not been received from the buyer therefore the Company has not handed over original property documents and possession to the buyer. The management of the Company remains committed to its plan to sell the asset, therefore in current year non current asset - land is presented and classified as held for sale.

19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2015 Numbers	2014 Numbers		2015 Rupees	2014 Rupees
		Authorized capital		
30,000,000	30,000,000	Ordinary shares of Rs. 10/- each	**300,000,000**	300,000,000
		Issued, subscribed and paid-up capital		
4,771,715	4,771,715	Ordinary shares of Rs. 10 each issued as fully paid in cash	**47,717,150**	47,717,150
14,212,184	14,212,184	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**142,121,840**	142,121,840
18,983,899	18,983,899		**189,838,990**	189,838,990

		Note	2015 Rupees	2014 Rupees
20	**RESERVES**			
	Capital reserve			
	Share premium	20.1	**379,080,000**	379,080,000
	Un-realized loss on remeasurement of available for sale investment		**(6,252,679)**	(977,585)
	Revenue reserve			
	General reserve		**203,921,394**	203,921,394
			576,748,715	582,023,809

20.1 This represents share premium received on 4,212,000 ordinary shares of Rs. 10 each issued at premium of Rs. 90 per share.

		Note	2015 Rupees	2014 Rupees
21	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**			
	Surplus arisen on revaluation of;			
	Company's property, plant and equipment	21.1	**1,282,800,101**	2,762,717,867
	Property, plant and equipment of associated companies	21.2	-	-
			1,282,800,101	2,762,717,867

		Note	2015 Rupees	2014 Rupees
21.1	**Balance at beginning of the year**		**3,802,856,925**	3,889,268,558
	Transfer to unappropriated profit in respect of;			
	- incremental depreciation		**(84,033,226)**	(86,411,633)
	- impairment charge during the year	21.1.2	**(2,092,316,432)**	-
	Surplus on revaluation at end of the year - gross		**1,626,507,267**	3,802,856,925
	Related deferred tax liabilities on;			
	Revaluation at beginning of the year		**1,040,139,058**	1,101,294,672
	Effect of changes of rates enacted		-	(32,639,775)
	Incremental depreciation on revalued assets		**(26,890,632)**	(28,515,839)
	Impairment loss of revalued assets		**(669,541,260)**	-
			343,707,166	1,040,139,058
	Surplus on revaluation at end of the year - net of tax		**1,282,800,101**	2,762,717,867

21.1.1 This represents surplus over book values resulting from the revaluation of property, plant and equipment (freehold land) carried out on December 20, 2005, June 29, 2006 and February 03, 2009 by an independent valuer "Consultancy Support and Services". The valuation was based on fair value determined on present market value basis. Further, the Company has incorporated a surplus on revaluation amounting to Rs. 3,650.13 million on freehold land, leasehold land, building on freehold land, building on leasehold land, plant and machinery, power house, leasehold plant and machinery and leasehold 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. Fair value of freehold and leasehold land is determined on present market value basis while buildings on freehold and leasehold land, plant and machinery power house, leasehold plant and machinery and leasehold power houses are determined on depreciated replacement cost. Surplus has been credited to surplus on revaluation of fixed assets account to comply with the requirement of Section 235 of Companies Ordinance, 1984.

21.1.2 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, plan to dispose assets before previous expected date (see note 1.2 (i)) and evidence that economic performance of items of property, plant and equipment is worse than expected.

	Note	2015 Rupees	2014 Rupees
21.2 Surplus on revaluation of property, plant and equipment- share from associates			
Balance at beginning of the year		-	2,261,372,390
Share from associates of incremental depreciation - net of tax transferred to equity		-	(33,105,666)
Disposal of investment in associates		-	(2,228,266,724)
Balance at end of the year		-	-

During the financial year ended June 30, 2014, the Company has disposed off its investments in the associated undertakings referred note 7.1. accordingly the residual share of surplus on revaluation of property, plant and equipment from associateshas been reclassified to retained earnings in line with the provision of Companies Ordinance, 1984, and International Accounting Standard (IAS 28) "Investments in Associates".

	Note	2015 Rupees	2014 Rupees
22 SUB-ORDINATED LOAN - unsecured			
Sub-ordinated loan		**423,800,000**	-

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 Accounting Directors' Loan) of the Institute of Chartered Accountants of Pakistan.

	Note	2015 Rupees	2014 Rupees
23 DEFERRED INCOME			
Balance at beginning of the year		**223,545**	330,846
Amortized during the year		**(107,300)**	(107,301)
		116,245	223,545

This amount represents excess of sale proceeds over carrying amount in sale and lease back transactions. This amount is being amortized over the lease term in equal proportion.

	Note	2015 Rupees	2014 Rupees
24 LONG-TERM FINANCE			
From banking company - secured			
United Bank Limited	**24.1**	-	-
Standard Chartered Bank Limited	**24.2**	-	-
Faysal Bank Limited	**24.3**	-	-
Summit Bank Limited	**24.4**	-	-
From related party - unsecured			
Director	**22**	-	423,800,000
		-	423,800,000

	Note	2015 Rupees	2014 Rupees
24.1 United Bank Limited			
Term finance - II	24.1.1	-	-
Term finance - III	24.1.2	-	-
Term finance - IV	24.1.3	-	-
		-	-

24.1.1 Term finance - II

	2015	2014
Balance at beginning of the year	**5,400,000**	5,400,000
Less: paid during the year	-	-
	5,400,000	5,400,000
Less: current portion:		
- overdue instalments	**(5,400,000)**	(5,400,000)
Balance at end of the year	-	-

The Company had obtained this long-term finance under the Non-Interest Demand Finance (NIDF) scheme to carry out civil works, payment of duties, levies etc. for the import of gas generators at Tibba Sultanpur site. It was secured by first pari passu equitable mortgage, hypothecation charge of Rs. 498.234 million and ranking charge of Rs. 467 million over land and building together with all existing and future construction, fittings, fixtures, plant and machinery and equipment of the Company at village Sahib Ali, Tibba Sultanpur, District Vehari, Mauza village, Ferozwatwan, Tehsil and District Sheikhupura, Mouza Dera Masti, Tehsil Bahawalpur and personal guarantees along with personal net worth statements of all the sponsoring directors of the Company. It carries mark-up at the rate 6 months KIBOR plus 2% per annum. Base rate to set at the start of each semi annual instalments. It is repayable in five years with 10 equal half yearly instalments without any grace period.

	Note	2015 Rupees	2014 Rupees
24.1.2 Term finance - III			
Balance at beginning of the year		**40,165,000**	40,165,000
Less: paid during the year		-	-
		40,165,000	40,165,000
Less: current portion:			
- current maturity		**(5,738,000)**	(11,476,000)
- overdue instalments		**(34,427,000)**	(22,951,000)
- due after June 30, 2016		-	(5,738,000)
		(40,165,000)	(40,165,000)
Balance at end of the year		-	-

The Company had obtained this loan to finance the import of four gas engines. It was secured by first pari passu equitable mortgage charge of Rs. 498.234 million and ranking charge of Rs. 467 million over land and building together with all existing and future construction, fittings, fixtures, plant and machinery and equipment of the Company at village Sahib Ali, Tibba Sultanpur, District Vehari,. Mauza village, Ferozwatwan, Tehsil and District Sheikhupura, Mouza Dera Masti, Tehsil Bahawalpur and personal guarantees along with personal net worth statements of all the sponsoring directors of the Company. It carries mark-up at the rate SBP cost 5 % plus 2% per annum. It is repayable in seven and half years from the date of disbursement including a grace period of one and half year in twelve equal half yearly instalments.

	Note	2015 Rupees	2014 Rupees
24.1.3 Term finance - IV			
Balance at beginning of the year		**178,750,000**	178,750,000
Less: paid during the year		**-**	-
		178,750,000	178,750,000
Less: current portion:			
- current maturity		**-**	(55,000,000)
- overdue instalments		**(178,750,000)**	(123,750,000)
		(178,750,000)	(178,750,000)
Balance at end of the year		**-**	-

The Company had obtained this loan which was secured by first pari passu equitable mortgage charge of Rs. 498.234 million and ranking charge of Rs. 467 million over land and building together with all existing and future construction, fitting and fixtures plant and machinery and equipment of the Company at village Sahib Ali, Tibba Sultanpur, District Vehari, Mauza village, Ferozwatwan, Tehsil and District Sheikhupura, Mouza Dera Masti, Tehsil Bahawalpur. It is repayable in five years with no grace period through 20 equal semi annual instalments along with accrued mark-up. It carries mark-up at the rate 3 months KIBOR plus 2% per annum (bank rate to be decided on disbursement date and subsequently, on the first day of each quarterly instalment period).

	Note	2015 Rupees	2014 Rupees
24.2 Standard Chartered Bank Limited			
24.2.1 Term finance - V			
Balance at beginning of the year		**233,333,334**	233,333,334
Less: paid during the year		**-**	-
		233,333,334	233,333,334
Less: current portion:			
- current maturity		**-**	(50,000,000)
- overdue instalments		**(233,333,334)**	(183,333,334)
		(233,333,334)	(233,333,334)
Balance at end of the year		**-**	-

The Company had obtained this term finance of Rs. 514.10 million which was secured by way of first joint pari passu charge of Rs. 400 million on plant and machinery of the Company with 25% margin. It is repayable in five years with equal quarterly instalments of Rs. 16.667 million each starting from December 31, 2010. It carries mark-up at the rate 3 months KIBOR plus 1.5% per annum.

	Note	2015 Rupees	2014 Rupees
24.3 Faysal Bank Limited			
24.3.1 Term finance - VI			
Balance at beginning of the year		**75,000,000**	75,000,000
Less: paid during the year		**-**	-
		75,000,000	75,000,000
Less: current portion:			
- current maturity		**(10,714,290)**	(21,428,570)
- overdue instalments		**(64,285,710)**	(42,857,140)
- due after June 30, 2016		**-**	(10,714,290)
		(75,000,000)	(75,000,000)
Balance at end of the year		**-**	-

The Company has obtained this term finance repayable in 7 equal half yearly instalments with one year grace period. It is secured by way of demand promissory note of Rs. 121.893 million letter of hypothecation of fixed assets and memorandum of constructive deposit of title deeds. It carries mark-up at the rate 3 months KIBOR plus 2.5% per annum.

	Note	2015 Rupees	2014 Rupees
24.4 Summit Bank Limited			
24.4.1 Term finance - VII			
Balance at beginning of the year		**286,854,424**	-
Rescheduled from short-term to long-term		-	301,923,106
Less: paid during the year		-	(15,068,682)
		286,854,424	286,854,424
Less: current portion:			
- current maturity		**(30,274,728)**	(37,706,046)
- overdue instalments		**(52,774,728)**	(15,068,682)
- due after June 30, 2016		**(203,804,968)**	(234,079,696)
		(286,854,424)	(286,854,424)
Balance at end of the year		-	-

This represents restructuring of short-term finance facilities obtained by the Company from Summit Bank Limited during the previous financial years on account of cash finance and inland letter of credit aggregating Rs. 301.923 million. The said restructuring occurred under an agreement dated November 21, 2013 whereby a long-term finance facility was created, commencing from December 31, 2013 and repayable in 28 quarterly instalments. The said long-term finance facility is secured through a ranking charge/first pari passu charge (within 180 days from the date of agreement) of hypothecation over the hypothecated assets in favour of the Bank amounting Rs. 402.564 million. The said long-term facility carries mark-up at the rate of 8% per annum payable on quarterly basis with grace period of three years.

24.5 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 32.1.1. Due to these litigations, year-end confirmations from all lending banks have not been received.

24.6 Due to the above-mentioned 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'.

	Note	2015 Rupees	2014 Rupees
25 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Balance at beginning of the year		**431,106,122**	434,152,464
Less: payments made during the year		**(607,735)**	(3,046,342)
Less: gain on rescheduling	25.2	**(1,031,911)**	-
		429,466,476	431,106,122
Less: current portion;			
- current maturity		**(26,632,720)**	(63,854,477)
- overdue instalments		**(368,770,426)**	(305,523,693)
- due after June 30, 2016		**(34,063,330)**	(61,727,952)
		(429,466,476)	(431,106,122)
Balance at end of the year		**-**	-

25.1 The Company had acquired plant and machinery, electric installations and vehicles under finance lease arrangements from leasing companies, modaraba and various banks. These liabilities, during the year, were subject to finance cost at the rates ranging from 7.00% to 16.72% (2014: 7.00% to 16.72%) per annum are payable in monthly / quarterly instalments. 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 security deposits, promissory notes and personal guarantees of sponsors to certain financial institution and banking companies.

25.2 The Company, during the year, entered into agreement with First Habib Modaraba to reschedule its outstanding lease liabilities with effect from July 01, 2015. As per rescheduled lease agreement, various terms and conditions including lease liability, payment tenure, payment terms and conditions, revised personal guarantees of directors, and submission of post dated cheques were changed. However, the Company has failed to comply with the terms and conditions of the rescheduled agreement resulting in default.

25.3 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. Further, various lessors have also filed suits before banking court and the Honorable High Court of Sindh for recovery of lease finance through attachment and sale of charged properties as fully disclosed in note 32.1.1. Due to these litigations, year-end confirmations from all lessors have not been received.

25.4 Due to the facts explained in notes 25.3 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	**395,403,146**	**103,470,358**	**291,932,788**	461,332,477	91,954,307	369,378,170
Payable after one year but not later than five years	**34,063,330**	**476,039**	**33,587,291**	73,720,042	11,992,090	61,727,952
	429,466,476	**103,946,397**	**325,520,079**	535,052,519	103,946,397	431,106,122

	Note	2015 Rupees	2014 Rupees
26 DEFERRED LIABILITIES			
Staff retirement benefits - gratuity	26.1	**134,955,636**	117,537,814
Deferred taxation	26.2	**462,297,882**	1,040,139,058
		597,253,518	1,157,676,873

26.1 Staff retirement benefits - gratuity

The Company's obligation as per the latest actuarial valuation in respect of defined benefit gratuity plan is as follows:

	Note	2015 Rupees	2014 Rupees
26.1.1 Movement in the net liability recognized in the balance sheet			
Net liability at beginning of the year		**117,537,814**	103,751,830
Charge to profit and loss account		**35,741,457**	28,354,134
Remeasurement recognised		**(14,988,928)**	1,278,454
Benefits paid during the year		**(3,334,707)**	(15,846,604)
		134,955,636	117,537,814
26.1.2 Movement in present value of defined benefit obligation			
Balance at beginning of the year		**117,537,814**	103,751,830
Current service cost		**20,388,621**	18,292,138
Interest cost		**15,352,836**	10,061,996
Remeasurements - (loss) / gains		**(14,988,928)**	1,278,454
Benefits paid		**(3,334,707)**	(15,846,604)
		134,955,636	117,537,814
26.1.3 Expense recognized in the profit and loss			
Current service cost		**20,388,621**	18,292,138
Interest cost		**15,352,836**	10,061,996
		35,741,457	28,354,134
26.1.4 Expense is allocated as follows;			
Cost of goods manufactured		**33,887,608**	26,168,030
Administrative expenses		**1,853,849**	2,186,104
		35,741,457	28,354,134

26.1.5 Historical information

	2015	2014	2013	2012	2011
	Rupees "000"				
Present value of defined benefit obligations	134,956	117,538	103,752	77,803	73,705
Experience adjustment arising on plan liabilities	(14,989)	1,278	33,020	4,313	3,182

26.1.6 General description

The scheme provides for terminal benefits for all of its permanent employees, who attain the minimum qualifying period. Annual charge is made using the actuarial technique of Projected Unit Credit Method.

		2015	2014
26.1.7 Principal actuarial assumptions			
Discount rate		**9.75%**	13.25%
Expected rate of eligible salary increase in future years		**8.75%**	12.25%
Average expected remaining working life time of employees		**6 Years**	6 Years

	Note	2015 Rupees	2014 Rupees
26.2 Deferred taxation			
The net liability for deferred taxation comprises timing differences relating to;			
Taxable temporary differences (deferred tax liability)			
Accelerated tax depreciation - owned assets		**361,320,377**	385,357,927
Surplus on property, plant and equipment		**802,235,384**	1,040,139,058
Assets subject to finance lease		**375,520,559**	-
Deductible temporary differences (deferred tax asset)			
Staff retirement benefits - gratuity		**(47,982,260)**	(38,062,586)
Impact on remeasurement gain		**4,796,457**	
Provisions and allowances		**(226,622,103)**	(59,745,910)
Brought forward tax losses		**-**	(1,637,734,009)
Deferred income		**-**	(72,376)
Liabilities against assets subject to finance lease		**(137,429,272)**	-
Impairment loss on property, plant and equipment		**(669,541,260)**	-
		462,297,882	(310,117,896)
Balance at beginning of the year		**1,040,139,058**	1,101,294,672
Charged / adjusted during the year		**-**	-
Origination/reversal of temporary differences		**91,700,084**	-
Charge on impairment of property, plant and equipment		**(669,541,260)**	-
Charge on revaluation surplus of property, plant and equipment		**-**	(28,515,839)
Effect of changes of rates enacted		**-**	(32,639,775)
		(577,841,176)	(61,155,613)
Balance at end of the year		**462,297,882**	1,040,139,058

Deferred tax asset in respect of the unused tax losses and other deductible differences amounting Rs. 1,732,655,833 (2014: Rs. 1,637,734,009) 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
27 TRADE AND OTHER PAYABLES			
Creditors	27.1	**969,050,396**	929,136,338
Foreign bills payable	27.2	**197,139,491**	197,139,491
Accrued liabilities		**112,035,627**	105,518,251
Advances from customers	27.3	**40,431,792**	36,851,499
Income tax deducted at source	27.3	**5,723,815**	5,356,944
Unclaimed dividend		**300,942**	300,943
		1,324,682,063	1,274,303,466

27.1 Creditors include Rs. 784.64 million (2014: Rs. 784.64 million) against local LC payable. These amounts are payable to various financial institution are overdue and disputed under litigation with banking companies / financial institutions as disclosed in note 32.1.1. The Company has not accounted for any further commission / interest / mark-up or penalty in respect of these LCs payable. Furthermore information / records were not made available by the banking companies and financial institutions to confirm the year end balances of the outstanding amounts.

27.2 The amount is denominated in US dollar. The outstanding amount as at June 30, 2015 is US$ 1,991,645 (2014: US$ 1,991,645) . These amounts are overdue and under litigation with banking companies / financial institutions as disclosed in note 32.1.1. The Company has not accounted for any further commission / interest / mark-up or penalty in respect of these LCs payable. Furthermore, balance confirmation amounted to Rs. 197.14 million has not been provided by the banking companies and financial institutions despite of repeated requests to confirm the year end balances of the outstanding amounts.

27.3 Withholding tax amounting to Rs. 5,723,816 is not deposited within the time frame as mentioned in Rule 43 of the Income Tax Rules. 2002.

	Note	2015 Rupees	2014 Rupees
28 ACCRUED MARK-UP / INTEREST			
Mark-up / interest accrued on;			
- long-term finances	**28.1**	**29,336,996**	29,336,996
- liabilities against assets subject to finance lease	**28.1**	**174,319**	263,934
- payables to associated undertaking	**28.2**	**35,185,905**	35,185,905
		64,697,220	64,786,835

28.1 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. 73.613 million, Rs. 63.99 million and Rs. 592.93 million respectively (2014: Rs. 59.46 million, Rs. 62.99 million and Rs. 662.92 million respectively) due to pending litigations with the financial institutions as detailed in note 32.1.1. Further, as detailed in note 1.2, 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 up to the balance sheet date aggregate to Rs. 2,583.122 million (2014: Rs. 1,857.589 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.

28.2 This represents amount of mark-up payable to ex-associated undertaking Gulshan Spinning Mills Limited as per the directive of regulatory body on balance due over the normal credit terms. The mark-up is charged on the basis of average rate of borrowing rate of the lender, effective rate of 13.11% (2014: 13.11%)

	Note	2015 Rupees	2014 Rupees
29 SHORT-TERM BORROWINGS			
Running finance - secured	**29.1**	**643,506,518**	643,506,517
Short-term loans - secured	**29.1**	**4,780,795,963**	4,780,795,964
Bank overdraft		**2,764**	164,295
		5,424,305,245	5,424,466,776

29.1 The Company had obtained aggregate borrowing facilities of Rs. 5,582 million (2014: Rs. 5,582 million). Short-term borrowing are secured against charge on stocks with a margin of 10% to 30%, 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 carries mark-up at the rate of 10.02% to 14.20% (2014: 10.02% to 14.20%) per annum payable quarterly.

29.2 The above-mentioned 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 32.1.1.

29.3 Year end balance confirmations aggregating Rs. 5,105.38 million (2014: Rs. 5,424.46 million) 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.

29.4 These have arisen due to issuance of cheques in excess of balance at bank accounts.

	Note	2015 Rupees	2014 Rupees
30 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long-term finances			
Term finance - II	**24.1.1**	**5,400,000**	5,400,000
Term finance - III	**24.1.2**	**40,165,000**	40,165,000
Term finance - IV	**24.1.3**	**178,750,000**	178,750,000
Term finance - V	**24.2.1**	**233,333,334**	233,333,334
Term finance - VI	**24.3.1**	**75,000,000**	75,000,000
Term finance - VII	**24.4.1**	**286,854,424**	286,854,424
Liabilities against assets subject to finance lease	**25**	**429,466,476**	431,106,122
		1,248,969,234	1,250,608,880
31 LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE			
Advance received against land held for sale		**24,832,812**	24,832,812

This represents advance received against sale of land classified as non-current assets classified as held for sale as referred to note 18 of the financial statements.

32 CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

32.1.1 Liabilities towards banks and financial institutions disclosed in note 24, 25, 27, 28 and 29.

(a) Various banks and financial institutions have filed recovery suits before the civil courts, the Honourable High Court of Sindh, the Honourable Lahore High Court and the Banking Court - Karachi 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. 8,812.18 million (2014: Rs. 8,472.12 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 to the date of these financial statements.

(b) The Company filed a global suit in the Honourable 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.

However, the Company along with its restructuring agent (a leading financial institution) 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. The management expects that entire process will be completed in due course of time and these recovery suits will be settled accordingly.

32.1.2 The Company has not provided for Rs. 28.85 million (2014: Rs. 28.85 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 Honourable High Court of Sindh. The decision was challenged before a bench of same High Court and stay for collection of cess was allowed.

The Honourable High Court of Sindh 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 Honourable Supreme Court of Pakistan against the above-mentioned judgement of the Honourable High Court of Sindh. 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 Honourable High Court of Sindh before approaching the Honourable Supreme Court of Pakistan with the right to appeal.

Accordingly, the petition was filed in the Honourable High Court of Sindh in respect of the above view. During the pendency of this appeal an interim arrangement was agreed whereby bank guarantees furnished for consignments cleared up to 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. 28.44 million (2014: Rs. 28.44 million) in favour of the Excise and Taxation Department.

32.1.3 A petition has been filed in the Honourable High Court of Sindh by United Bank Limited seeking among other things, the winding-up of the Company, appointment of official liquidator and restricting the board of directors from functioning. The Honourable High Court of Sindh through its order no J.Misc. 1 dated December 12, 2013 ordered the winding-up of the Company and appointment of the official liquidator. Subsequently, the Company has filed a petition in the Honourable Supreme Court of Pakistan challenging the ruling of the Honourable High Court of Sindh. In response to the appeal filed by the Company, the Honourable Supreme Court of Pakistan vide its order dated February 25, 2014 has set aside the impugned judgment of the Honourable High Court of Sindh and remanded the matter. The legal counsel of the Company is of the opinion that the Company has several cogent factual and legal grounds for contesting its case and is very hopeful for a favourable decision.

32.1.4 The Company has also filed reference applications, before the Honourable High Court of Sindh at Karachi. The references applied for are ITRA No. 130/12, 131/12, 133/12.

32.1.5 The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) for the tax year 2012 against the order passed U/s 122(5A), which is disposed by appellant tribunal.

32.1.6 The Honourable Supreme Court of Pakistan, vide judgment dated August 22, 2014 has already declared the Gas Infrastructure Development Cess Act, 2011 ultra-vires to the Constitution and also directed that the entire amount so far recovered from the consumers be refunded. In order to nullify the legal effect of the above judgment of the Supreme Court of Pakistan, the Federal Government promulgated the Gas Infrastructure Development Cess Ordinance, 2014, whereby not only the cess was imposed afresh but all the judgments passed earlier were declared to have no legal effect against the previous recovery of the arrears of Gas Infrastructure Development Cess from the year 2011. This Gas Infrastructure Development Cess Ordinance, 2014 was also challenged before different high courts of Pakistan and in the meanwhile the Gas Infrastructure Development Cess Act, 2015 was imposed to the same effect as that of Gas Infrastructure Development Cess Ordinance, 2014. Yet again the Gas Infrastructure Development Cess Act, 2015 was challenged before the Honourable Lahore High Court as well as before the Honourable High Court of Sindh. The Honourable High Court of Sindh vide its judgment dated October 26, 2106, decreed the suits in favour of the consumer, whereby the Gas Infrastructure Development Cess Act, 2015, was held to be ultra vires and unconstitutional and further directed Sui Southern Gas Company Limited as well as Sui Northern Gas Pipelines Limited to refund the amounts received under the head of Gas Infrastructure Development Cess from 2011 till date. The matter is still subjudice before the Divisional Bench of the Honourable High Court of Sindh and we are hopeful that the judgment dated October 26, 2106, passed in favour of the consumers shall be upheld and the Gas Infrastructure Development Cess Act, 2015 shall again be declared ultra vires to the Constitution. The Company has not passed on gas infrastructure development cess to its consumers and has not paid amount of cess when stay order(s) were in field.

32.1.7 The Bank of Khyber has filed a suit COS No. 140/ 2012 for recovery of Rs. 341.532 million on account of cash finance facilities provided to the Company. The Company filed PLA, however, the same was dismissed after hearing the parties and the suit was decreed in favour of the plaintiff bank to the extent of Rs. 338.879 million together with cost of funds. The Company has filed appeal in the Divisional Bench of Honourable Lahore High Court, and the case is being contested on merits.

32.1.8 The Bank Alfalah Limited has filed a suit COS No. 91/2013 before the Honourable High Court of Sindh for recovery of Rs. 358.073 million on account of Cash finance and letter of credit facilities. The Company duly filed its leave application which is currently pending adjudication. During the course of proceedings the plaintiff bank also filed a CMA 11543, under section 16 of the Financial Institutions (Recovery of Finance) Ordinance, 2001 (the Ordinance) seeking sale of the goods allegedly pledged in favour of the Bank. The said CMA of the plaintiff bank was allowed, however, the Company has challenged the same by filing an appeal on various grounds including that the Company was not provided with a proper opportunity to elucidate its stance and file counter affidavit to CMA 11543 and the relief claimed by the Plaintiff Bank i.e. sale of cotton bales through application under section 16 of the Ordinance, is not maintainable as the said section does not envisage a sale of pledged goods.

32.1.9 The Bank of Punjab Limited has filed a suit COS No. 49/2013 for recovery of Rs. 453.865 million on account of Cash finance and letter of credit facilities. The Company filed PLA, however, the same was dismissed after hearing the parties and the Honourable Banking Court decreed the suit in favour of Plaintiff Bank to the extent Rs. 433.925 million, together with the costs of funds. The Company has filed appeal in the Divisional Bench of the Honourable Lahore High Court, and the case is still subjudice.

32.2 Commitments

32.2.1 There is no capital commitments as at June 30, 2015 (2014: nil)

	Note	2015 Rupees	2014 Rupees
33 SALES - NET			
Finished goods			
- export sales	**33.1**	**-**	30,643,667
- local sales		**74,820,925**	949,578,852
- processing		**267,355,726**	543,075,719
- waste and scrap		**520,426**	56,372,965
		342,697,077	1,579,671,203
Raw materials			
- cotton and other raw materials		**24,286,249**	42,170,340
Less: sales tax		**(7,331,442)**	(32,586,961)
		359,651,884	1,589,254,582

33.1 It includes exchange gain on export sales amounting to Rs. nil (2014: Rs. 1.6 million).

34 COST OF SALES

	Note	2015 Rupees	2014 Rupees
Opening stock		235,991,999	398,618,435
Cost of goods manufactured	34.1	868,320,445	2,034,799,460
Yarn / fabric purchase		-	41,464,400
		1,104,312,444	2,474,882,295
Closing stock		193,497,692	235,991,999
		910,814,752	2,238,890,296

34.1 Cost of goods manufactured

	Note	2015 Rupees	2014 Rupees
Raw material written-off / consumed	34.2	285,414,328	742,290,430
Raw material sold		32,761,970	45,445,757
Salaries, wages and benefits		159,670,016	354,937,082
Staff retirement benefits	26.1.4	33,887,608	26,168,030
Stores consumed	34.3	37,218,411	71,076,079
Packing materials consumed		5,497,066	25,806,187
Fuel and power		147,171,897	455,657,969
Repair and maintenance		511,739	1,822,092
Insurance expense		-	6,698,940
Traveling, conveyance and entertainment		1,729,697	3,700,699
Postage and telex		19,026	23,480
Telephone expenses		273,230	588,117
Legal and professional		599,894	980,496
Printing and stationery		16,715	40,581
Motor vehicle expenses		2,077,327	4,602,594
Depreciation	6.2	136,211,124	139,561,300
Processing charges		5,756,348	73,564,797
Others		645,285	1,190,787
Doubling charges		-	3,748,075
		849,461,681	1,957,903,492
Opening work-in-process		18,858,764	95,754,732
Closing work-in-process		-	(18,858,764)
		18,858,764	76,895,968
		868,320,445	2,034,799,460

34.2 Raw materials consumed

	Note	2015 Rupees	2014 Rupees
Opening stock		487,999,303	624,251,522
Purchases		45,222,151	651,483,968
		533,221,454	1,275,735,490
Raw material sold		(32,761,970)	(45,445,757)
Closing stock	10	(215,045,156)	(487,999,303)
		285,414,328	742,290,430

34.3 It includes an amounts of Rs. 33,374,447 (2014: Rs. 2,570,342) against provision for slow moving items.

		Note	2015 Rupees	2014 Rupees
35	**DISTRIBUTION COST**			
	Rent, utilities, samples and communications		-	34,800
	Freight and handling		201,500	4,071,192
	Export development surcharge		-	53,762
	Commission / discounts		38,510	5,064,504
	Others		-	60,575
			240,010	9,284,833
36	**ADMINISTRATIVE EXPENSES**			
	Directors' remuneration		-	2,694,804
	Salaries and benefits		14,864,192	31,199,696
	Staff retirement benefits	26.1.4	1,853,849	2,186,104
	Rent, rates and taxes		2,531,800	3,468,013
	Electricity, gas and water		828,975	-
	Communication		304,349	854,181
	Printing and stationery		184,337	609,483
	Repair and maintenance		96,821	224,966
	Traveling and conveyance		1,391,687	3,694,196
	Vehicles running and maintenance		2,026,123	2,601,382
	Auditor's remuneration	36.1	1,631,200	1,631,200
	Legal and professional		681,600	12,277,500
	Fee and subscription		172,470	2,440,445
	Consultancy charges		899,000	2,148,414
	Advertising		121,650	43,200
	Donations	36.2	-	40,000
	Depreciation	6.2	2,933,815	4,132,024
	Insurance		-	588,754
	Computer expenses		40,781	364,390
	Others		491,682	431,366
			31,054,331	71,630,118

		Note	2015 Rupees	2014 Rupees
36.1	**Auditor's remuneration**			
	Annual audit		1,265,000	1,265,000
	Half yearly review		266,200	266,200
	Compliance report on code of corporate governance		100,000	100,000
			1,631,200	1,631,200

36.2 No directors or their spouse had any interest in donee fund.

		Note	2015 Rupees	2014 Rupees
37	**OTHER OPERATING EXPENSES**			
	Loss on disposal of investment property	7.3	-	20,301,577
	Provision for doubtful debts and advances		71,842,579	197,077,482
	Debit balances written off		3,881,806	6,391,795
			75,724,385	223,770,854

	Note	2015 Rupees	2014 Rupees
38 OTHER INCOME			
From financial assets			
Interest on deposits / bonds and certificates		9,764	2,759,993
From other than financial assets			
Gain on disposal of property, plant and equipment		-	6,358,893
Gain on sale of equity investment in associated undertakings		-	790,263,289
Exchange gain on foreign currency translations		-	99,580
Amortization of deferred income		107,300	107,301
Credit balances written back		-	247,321
		107,300	797,076,384
From financial liability			
Gain on rescheduling of liability against asset subject to finance lease		1,031,911	-
		1,148,975	799,836,377
39 FINANCE COST			
Mark-up / interest on;			
- long-term finances	28.1	-	23,248,902
- liabilities against assets subject to finance lease	28.1	-	1,200,524
- short-term borrowings	28.1	-	-
- payable balances of associated undertakings	28.2	-	5,651,325
Bank and other financial charges		1,871,228	3,379,585
		1,871,228	33,480,336
40 TAXATION			
Current	40.1	-	236,644
Deferred		86,903,627	(28,515,839)
		86,903,627	(28,279,195)

40.1 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
41 LOSS PER SHARE - BASIC AND DILUTED			
Loss after taxation		(658,903,847)	(175,259,782)
		----- Number of shares -----	
Weighted average number of ordinary shares outstanding during the period		18,983,899	18,983,899
		---------- Rupees ----------	
Loss per share - basic and diluted		(34.71)	(9.23)

There is no dilutive effect on the basic loss per share of the Company. Further, sub-ordinated loan from director that is convertible into shares has been not taken in calculation of diluted loss per share because the antidilutive effect of the loan.

	Note	2015 Rupees	2014 Rupees
42 CHANGES IN WORKING CAPITAL			
Decrease / (increase) in current assets:			
Stores, spare parts and loose tools		-	34,271,950
Stock-in-trade		**111,960,641**	375,809,052
Trade debtors		**(11,932,819)**	(14,517,839)
Loans and advances		**6,577,435**	26,831,927
Trade deposits and other receivable		**1,249,423**	(15,500)
Tax refunds due from Government		**3,015,387**	8,443,905
		110,870,067	430,823,495
Increase in trade and other payables		**50,378,597**	240,739,321
		161,248,664	671,562,816

43 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

No remuneration was paid to chief executive officer and executive director. However, the monetary value of the benefit given to non-executive director is Rs. 2.586 million (2014: Rs. 2.919 million). The remuneration paid to executives are as follows;

	Note	2015 Rupees	2014 Rupees
Remuneration		**6,744,405**	9,645,169
Allowances and perquisites		**3,372,202**	4,822,585
Post employment benefits		**870,355**	1,362,938
		10,986,962	15,830,692
Number of persons		**8**	20

The chief executive are also provided with Company maintained vehicle as per policy of Company.

	Note	2015 Rupees	2014 Rupees
44 CASH AND CASH EQUIVALENTS			
Cash-in-hand		**530,717**	654,786
Balance with banks in;			
- current accounts		**32,775,787**	32,319,163
- saving accounts		**2,500,120**	3,513,308
- term deposit receipts		**23,744,497**	23,744,497
		59,020,404	59,576,968
		59,551,121	60,231,754

45 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

45.1 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.

45.2 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.

45.3 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.

45.4 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.

45.5 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.

46 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.

46.1 Credit risk

46.1.1 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 debtors, loans and advances, trade deposits, prepayments and other receivables and cash and bank balances. Out of total financial assets of Rs. 167.53 million (2014: 308.528 million), the financial assets which are subject to credit risk aggregate to Rs. 108.597 million (2014: 307.873 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		**8,106,098**	8,434,628
Trade debtors		**55,269,422**	115,179,182
Loans and advances		**211,537**	289,971
Trade deposits, prepayments and other receivables		**44,930,859**	45,010,750
Cash and bank balances		**59,020,404**	36,487,257
		167,538,320	205,401,787

		Note	2015 Rupees	2014 Rupees
46.1.2	Concentration of risk - geographical dispersion customers			
	Local debtors		55,269,422	108,199,909
	Export debtors		-	6,979,273
			55,269,422	115,179,182
46.1.3	Concentration of risk - type of customer			
	Yarn		52,375,364	113,548,123
	Waste		2,894,058	1,631,059
			55,269,422	115,179,182

46.1.4 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or by historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and percentages.

Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to current accounts, deposit accounts, security deposits and margin deposits. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non performance by these counterparties on their obligations to the Company.

Counterparties without external credit ratings

These include customers which are counterparties to trade debtors. The company is exposed to credit risk in respect of trade debtors. The analysis of ages of trade debtors as at the reporting date is as follows;

	Note	2015 Rupees	2014 Rupees
Not past due		-	-
Past due 0 - 90 days		2,719,363	7,760,938
Past due 90 days - 1 year		17,247,714	17,404,208
More than one year		277,922,074	268,124,128
Gross carrying amount		297,889,151	293,289,274
Accumulated impairment		(242,619,730)	(178,110,093)
		55,269,421	115,179,181

Trade debtors amounting to Rs. 23,983,761 (2014: Rs. 30,963,034) are secured through confirm letters of credit.

The Company adopts the policy that trade debtors past due by more than two years should be impaired.

46.1.5 Collateral held

The company does not hold any collateral to secure its financial assets with the exception of trade debtors, which are partially secured through confirmed letters of credit

46.1.6 Credit risk management

As mentioned in above notes to the financial statements, the Company's financial assets do not carry significant credit risk, with the exception of trade receivables, which are exposed to losses arising from any non performance by the counterparties. In respect of trade receivables, the Company manages credit risk by limiting significant exposure to any single customer. Formal policies and procedures of credit management and administration are established and executed. In monitoring customer credit risk, the ageing profile of total receivables and individually significant balances, along with collection activities are reviewed on regular basis. High risk Customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis on confirmed letters of credit.

46.2 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 finance	819,502,758	221,414,167	598,088,591	1,243,302,758	123,073,836	1,120,228,922
Liabilities against asset subject to finance lease	429,466,476	402,833,756	26,632,720	431,106,122	357,386,080	73,720,042
Trade and other payables	1,324,682,063	1,324,682,063	-	1,274,303,466	1,274,303,466	-
Accrued mark-up / interest	64,697,220	64,697,220	-	64,786,835	64,786,835	-
Short -term borrowings	5,424,305,245	5,424,305,245	-	5,424,466,776	5,424,466,776	-
	8,062,653,762	7,437,932,451	624,721,311	8,437,965,957	7,244,016,993	1,193,948,964

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 1.2 to these financial statements and the management envisages that sufficient financial resources will be available to manage the liquidity risk.

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.

46.3 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.

46.3.1 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 debtors, 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;

	2015		
	US$	Others	Rupees
Assets			
Trade debts	-	-	-
Liabilities			
Foreign bills payable	**1,991,645**		**197,139,491**
Gross and net balance sheet exposure	**(1,991,645)**	**-**	**(197,139,491)**

	2014		
	US$	Others	Rupees
Assets			
Trade debts	70,676	-	6,979,273
Liabilities			
Foreign bills payable	1,991,645		197,139,491
Gross and net balance sheet exposure	(1,920,969)	-	(190,160,218)

The following significant exchange rates applied during the year;

	2015	2014	**2015**	2014
	Average rates		**Reporting date rates**	
US$ to Rupee	**101.40**	99.20	**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	-	(9,508,011)

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.

46.3.2 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;

	Note	2015 Rupees	2014 Rupees
Non-derivative financial instrument			
Fixed rate instruments			
Financial assets		**23,744,497**	23,744,497
Financial liabilities		**40,165,000**	40,165,000
Variable rate instruments			
Financial assets		**2,500,120**	3,513,308
Financial liabilities		**1,209,836,145**	1,210,443,880

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 in not presented as the Company is not providing for mark-up / interest due to litigation with the banks and financial institutions.

Interest rate risk management

The Company manages its exposure to interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit and loss after taxation and equity of defined interest rate shift, mostly 100 basis points.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by the factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is not exposed to price risk since the fair values of the company's financial instruments are not based on market prices.

46.4 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.

	Note	2015 Rupees	2014 Rupees
46.5 Off balance sheet items			
Bank guarantees issued in ordinary course of business		**109,156,649**	109,156,649

46.6 The effective rate of interest / mark-up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

46.7 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.

47 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 43. Amounts due from and to related parties are shown under receivables and payables. Other significant transactions with related parties are as follows:

	Note	2015 Rupees	2014 Rupees
Nature of transaction			
Related parties due to significant influence			
Purchases of goods and services		-	52,635,010
Expense		-	15,830,692
Receipts		**143,903**	-

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

48 CAPACITY AND PRODUCTION

		2015	2014
Number of spindles installed		**131,936**	131,936
Number of spindles on the basis of shifts worked		**20,468**	46,932
Number of shifts worked		**1 to 3**	1 to 3
Installed capacity in kilograms after conversion into 20/s counts	Kg.	**40,956,000**	40,956,000
Actual production of yarn in kilograms after conversion into 20/s counts	Kg.	**7,654,715**	12,467,423
Actual production all mix counts	Kg.	**3,904,181**	7,043,035

48.1 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.

48.2 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.

49 NUMBER OF EMPLOYEES

	2015	2014
	............Number..........	
Number of employees as at June 30, - permanent	**1,368**	1,958
Average number of employees during the year - permanent	**1,663**	1,976

50 CORRESPONDING FIGURES

Comparative information has been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. Nature of this reclassification is allocation of figures to proper head of accounts. Following material reclassification were made in these financial statements;

Description	Note	2015 Rupees Reclassified to	2014 Rupees Previously reported
Other financial assets	15	-	23,744,497
Cash and bank balances	17	**23,744,497**	-
Long-term financing	24	-	423,800,000
Sub-ordinated loan - unsecrued	22	**423,800,000**	-
		447,544,497	447,544,497

51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on January 09, 2018 by the Board of Directors of the Company.

CHIEF EXECUTIVE

DIRECTOR

Pattern of Shareholding
As At June 30, 2015

Number of Shareholders	Shareholding From	Shareholding To	Shares Held	Percentage
847	1	100	9,687	0.05
94	101	500	29,662	0.16
30	501	1,000	23,183	0.12
50	1,001	5,000	128,277	0.68
12	5,001	10,000	77,802	0.41
6	10,001	15,000	77,341	0.41
1	15,001	20,000	17,879	0.09
1	20,001	30,000	25,584	0.13
2	30,001	35,000	62,974	0.33
2	35,001	40,000	72,684	0.38
1	40,001	60,000	59,073	0.31
1	60,001	70,000	67,162	0.35
2	70,001	80,000	155,149	0.82
3	80,001	85,000	244,212	1.29
1	85,001	140,000	137,122	0.72
1	140,001	180,000	178,453	0.94
3	180,001	190,000	566,876	2.99
1	190,001	195,000	194,254	1.02
1	195,001	240,000	236,149	1.24
1	240,001	260,000	260,000	1.37
1	260,001	285,000	283,763	1.49
1	285,001	380,000	374,355	1.97
1	380,001	410,000	406,403	2.14
1	410,001	420,000	419,923	2.21
1	420,001	485,000	470,000	2.48
1	485,001	545,000	543,545	2.86
1	545001	605,000	600,946	3.17
1	605,001	720,000	716,909	3.78
2	720,001	735,000	1,467,319	7.73
1	735,001	755,000	755,363	3.98
1	755,001	1,650,000	1,648,740	8.68
1	1,650,001	1,750,000	1,749,035	9.21
1	1,750,001	2,640,000	2,638,280	13.90
1	2,640,001	4,290,000	4,285,796	22.58
1,075			**18,983,900**	**100.00**

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

CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2015

Particulars	No. of Shares Holders	No. of Shares Held	Percentage
Directors, Chief Executive Officer and their spouse and minor children	10	7,966,253	41.96
Associated Companies, Undertakings and Related Parties	0	0	0.00
NIT & ICP	1	734,617	3.87
Banks, Development Finance Institutions, Non-Banking Financial Institutions	4	844,970	4.45
Investment Company	1	5,979	0.03
Insurance Companies	1	35,010	0.18
Joint Stock Company	2	7,501	0.04
General Public (Local)	1,039	4,359,210	22.96
Other Companies	17	5,030,360	26.50
	1,075	**18,983,900**	**100.00**

CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2015

A)	**ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES**	**SHARES**
		NIL
B)	**NIT & ICP**	
	National Bank of Pakistan Trustee Department NI(U) T FUND	734,617
C)	**DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSE AND MINOR CHILDREN**	
	DIRECTORS	
	Mr. Naseer Ahmed	5,041,159
	Mr. Shaikh Muhammad Azhar	500
	Mr. Muhammad Zubair	500
	Mr. WAQAR AHMAD	500
	Mr. Seemab Ahmed Khan	550
	Mr. MANZER HUSSAIN	500
	Mr. Muhammad Badar Munir Al Sami Alam	501
	SPOUSE	
	Mrs. Nageen Naseer	2,922,043
D)	**BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS & MUTUAL FUNDS**	
	BANKS	
	Habib Bank Limited	203
	National Bank of Pakistan	374,767
	The Bank of Punjab Treasury Division	470,000
	INSURANCE	
	State Life Insurance Corporation of Pakistan	35,010
E)	**INVESTMENT COMPANY**	5,979
F)	**JOINT STOCK COMPANY**	7,501
G)	**OTHER COMPANIES**	5,030,360
H)	**GENERAL PUBLIC (LOCAL)**	4,359,210
		18,983,900
I)	**SHAREHOLDERS HOLDING 05.00% OR MORE**	
	Mr. Naseer Ahmed	5,041,159
	Mrs. Nageen Naseer	2,922,043
	Paramount Spinning Mills Limited	1,648,740
	Peridot Products (Pvt.) Limited	1,749,035
J)	**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**	**NIL**

Form of Proxy

Gulistan Textile Mills Limited

I/We ________________________being member of **Gulistan Textile 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 Textile 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 Textile 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 andon my/our behalf at the Annual General Meeting of the Company to be held on 31st January 2018 at 1 2:00 noon and at any adjournment thereof.

Appropriate Revenue Stamp

As witness my/our hand this_______day of _____________2018

Signed by the said ________________________________

Witness 1:-

Name:-____

Adress:-____

CNIC:-____

Witness 2:-

Name:-____

Adress:-____

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.

پراکسی فارم
گلستان ٹیکسٹائل ملز لمیٹڈ

میں / ہم ------------------------------------ بحیثیت گلستان ٹیکسٹائل ملز لمیٹڈ کے رکن ،
مالک برائے --------------- عام حصص مطابق رجسٹرڈ فولیو نمبر ---------------- اور / یا
سی ۔آر۔ سی شرکت کنندہ آئی ڈی نمبر ----------------کھاتہ نمبر ---------------- اس طرح
مقرر کرتا ہوں جناب ------------------------------ جو کہ گلستان ٹیکسٹائل ملز لمیٹڈ کے رکن بھی
ہیں ، بذریعہ فولیو نمبر -------------- یا سی ڈی۔ سی شرکت کنندہ آئی۔ ڈی نمبر
----------------کھاتہ نمبر -------------- یا انکی ناکامی کی صورت میں جناب
-----------------------برائے -------------------------------- جو کہ گلستان ٹیکسٹائل ملز لمیٹڈ کے
رکن بھی ہیں ، بذریعہ فولیو نمبر ----------------------- یا سی ڈی۔ سی شرکت کنندہ آئی۔
ڈی نمبر --------------- کھاتہ نمبر ---------------- جیسا کہ میری / ہماری پراکسی میں
شرکت کرنے کے لئے، بات کرنے کے لئے اور ووٹ ڈالنے کے لئے 31 جنوری 2018 کو
دوپہر 12:00 بجے اور اس کے کسی بھی تعاقب میں منعقد ہونے والی کمپنی کےسالانہ
اجلاس میں۔

میرے / ہمارے ہاتھ 2018 کے ------------ دن کا گواہ ہونے کے طور پر
کہا -------------------------- کی نشاندہی

گواہ 1: -

نام: - ---

پتہ : ---

CNIC: ---

گواہ 2: -

نام: - ---

پتہ : ---

CNIC: ---

نوٹ:

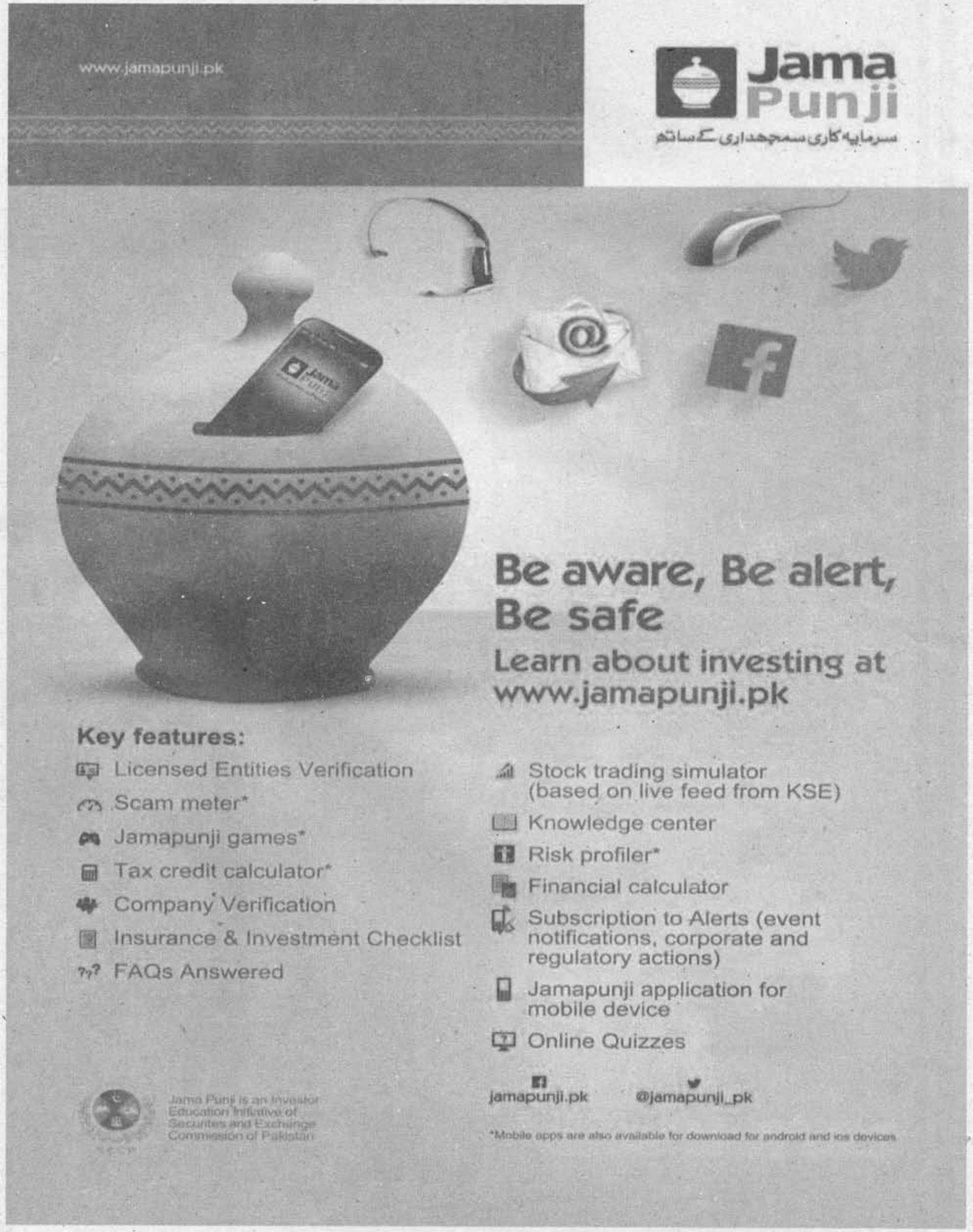
1-پراکسی درست ہونا لازمی طور پر مہربند، دستخط اور گواہی دی جاسکتی ہے اور کمپنی کے ساتھ اجلاس کے قیام کے وقت سے 48 گھنٹوں کے بعد جمع نہیں ہونا چاہئے۔

2-پراکسی کمپنی کا ایک رکن ہونا ضروری ہے۔

3- دستخط اس کمپنی کے ساتھ رجسٹرڈ نمونہ دستخط سے متفق ہونا چاہئے۔

4-اس اجلاس میں شرکت اور ووٹ لینے کے حق میں سی ڈی سی کے حصے دار، اپنی شناخت کو ثابت کرنے کے لئے اصل قومی شناختی کارڈ / پاسپورٹ لائے، اور پراکسی کی صورت میں انکو اپنے این آئی سی یا پاسپورٹ کی کاپی کی تصدیق کروانا ضروری ہے ۔

5-کارپوریٹ ارکان کے نمائندے کو اس مقصد کے لئے ضروری دستاویزات اپنے ساتھ لانا چاہئے۔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