



**GULISTAN TEXTILE
MILLS LIMITED**

ANNUAL REPORT 2019

GULISTAN TEXTILE MILLS LIMITED-----

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GULISTAN TEXTILE MILLS LIMITED
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. Akhtar Aziz

COMPANY SECRETARY

Mr. Asmar Tariq

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

2nd 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. Sheikhpura

WEB PRESENCE

www.gulistan.com.pk/corporate/gulistan.html

CORPORATE VISION / MISSION STATEMENT

VISION

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

MISSION

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

GULISTAN TEXTILE MILLS LIMITED

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 **Thursday 24th October, 2019 at 11:45 a.m** , to transact the following business:

1. To confirm the minutes of the last Annual General Meeting of the Company.
2. To receive, consider and adopt the audited financial statements of the Company for the financial year ended on June 30, 2019 together with Directors' and Auditors' Reports thereon.
3. To appoint auditors of the company for the next financial year 2019-2020 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.

Lahore:

October 03.2019

By Order of the Board

Asmar Tariq

Company Secretary

NOTES:

- 1- The share transfer books of the company will remain closed and no transfer of shares will be accepted for registration from **17th October, 2019 to 24th October, 2019 (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 جمعرات 24 اکتوبر 2019 11:45 بجے بمقام دوسری منزل، فنلے ہاؤس، آئی آئی چندریگر روڈ، کراچی پر منعقد کی جائے گی۔ مندرجہ ذیل: اربار کو منتقل کرنے کے:

- 1- کمپنی کے گزشتہ سالانہ اجلاس عام کے منٹس کی تصدیق کرنا۔
- 2- 30 جون 2019 کو ختم ہونے والی مالی سال کے لئے کمپنی کے آڈٹ شدہ مالی بیانات وصول کرنے اور اسے قبول کرنے، بمعہ ڈائریکٹرز اور آڈیٹر کی رپورٹوں کے۔
- 3- اگلے مالی سال 2019-2020 کے لئے کمپنی کے آڈیٹر مقرر کرنے اور ان کے معاوضہ طے کرنا اور ریٹائرڈ ہونے والے آڈیٹر (بیکر ٹلی، محمود ادیس قمر، چارٹرڈ اکاؤنٹنٹس) دوبارہ خود کو کمپنی کے آڈیٹر کے طور پر پیش ہونے کی آفر کی ہے۔
- 4- چیئرمین کی اجازت کے ساتھ کوئی بھی دوسرے کاروباری معاملہ منعقد کیا جائے گا۔

بورڈ کے حکم سے

آسمار طارق
کمپنی سیکرٹری

لاہور
03 اکتوبر 2019

نوٹس:

- 1- کمپنی کی حصص کی منتقلی کی کتابیں بند رہیں گی 17 اکتوبر، 2019 سے 24 اکتوبر، 2019 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 ہے کمپنی کے پاس رجسٹرڈ آفس کے ساتھ پراکسی کا فارم مکمل ہونا ضروری ہے، پراکسی اجلاس کے مقررہ وقت سے 48 گھنٹے پہلے جمع کروائیں۔
- 3- سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ ان کے سی این آئی سی کے 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 بالاختیار بی ڈی 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 رہائشی پتہ کئی تبدیلی اگر ہو تو ہمارے رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کراچی چیمبر، حسرت موبانی روڈ، کراچی میں فوری تبدیلیوں کو مطلع کریں۔

GULSITAN TEXTILE MILLS LIMITED

Director's Report to Shareholders

The year under review has also been proved difficult period. The on-going financial impediments have obstructed the operations of the Company. The root cause for this obstruction had been non-availability of working capital facilities which were blocked by the banks/financial institutions unilaterally, and resultantly the Company could not purchase raw material to run the mills.

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 to discharge 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 a Scheme of Arrangement under section 279 to 283 & 285 of the Companies Act 2017 (Scheme of Arrangement) has been approved and signed by majority of the secured creditors and duly filed before the Sindh High Court at Karachi (Court). The meeting of the Members of the Company has also been held as per direction of the Court wherein the Scheme of Arrangement was duly approved by the requisite majority and the report in this behalf was duly submitted by the Chairman appointed by the Court. As per the Scheme of Arrangement all the litigation will be withdrawn by all the creditors.

Operating & Financial Performance

Operating indicators	2019	2018
	(Rupees)	(Rupees)
Sales	-	-
Gross loss	-	-
Financial cost	(584,184,324)	(355,411,995)
Pre tax Profit/ (Loss)	(1,385,192,707)	(505,622,234)
Provision for taxation	9,257,793	37,198,272
Profit / (Loss) after taxation	(1,375,934,914)	(468,423,962)

Future Outlook

The restructuring process is expected to be completed soon, once the ongoing reconciliation & restructuring process is completed, we would be in better position to structure the way forward.

Auditors' Observations

- Auditors' Observation regarding going concern, It is worth noting that the Scheme of Arrangement is not only signed by the majority of the banks/financial institutions, but has also been approved by the requisite majority of the members pursuant to the orders of the Court. All pending litigation by or against the Company will be withdrawn by the respective parties as contemplated in the Scheme of Arrangement, subject to sanction of the Scheme of Arrangement.
- 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 crisis. Reluctantly, the Management has to retrench most of their manpower strength and has taken steps towards resource conservations. The Management therefore is of the view that after restructuring of debts going concern observation will be resolved.
- Company during this year fully provided the amount of mark-up in the annexed financial statement as per the amount confirmed by all the banks/financial institutions in the Scheme of Arrangement.
- In the annexed financial statement, the amount of loan has taken from the Scheme of Arrangement which is confirmed by the secured creditors and submitted in Sindh High Court for approval of the Scheme of Arrangement. The auditor shows their reservation only that they have not received the confirmation directly from the Banks to them as per their normal audit procedure.
- The Company is very hopeful that with restructuring and settlement of amounts, release of security in post settlement scenario, the financial health of the Company will be improved which will enable the Company to focus on new profitable avenues.
- Stock in trade is not verifiable due to various godowns are sealed as per the court order(s). The godown will be de-sealed after approval of the Scheme of Arrangement.

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 Arshad	4
Mr. Waqar Ahmad	4
Mr. Mian Muhammad Khalid Nasim	4
Mr. Muhammad Arif	4
Mr. Zafar iqbal	4

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 1.3 of Financial Statements.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the stock exchanges.
- Key operating and financial data for the last six years is annexed.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2019 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, 2019 was Rs. (72.48) as compared to the previous year of Rs. (24.67).

Dividends

Due to circumstances discussed above, the Board of Directors does not recommend dividend for the year ended on June 30, 2019.

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.gulistan.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 01.07.2018	Purchases	Sales	Closing Balance as on 30.06.2019
NIL	NIL	NIL	NIL	NIL

Statement on Value of Staff Retirement Benefit

As on June 30, 2019 deferred liability for gratuity is Rs. 130,801,480/=

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 2019-2020.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2019 including the information under the code of corporate of governance is annexed.

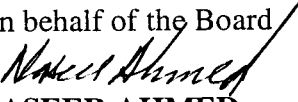
Acknowledgement

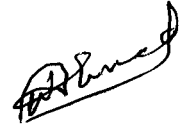
Finally, the Board avail this opportunity to thank our valued customers and financial institutions whose faith and support over the years has fostered a mutually beneficial relationship which played a pivotal role in improving our products services and contributions to the economy.

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

October 02, 2019

On behalf of the Board


NASEER AHMED
CHIEF EXECUTIVE



WAQAR AHMAD
CHAIRMAN

شینر ہولڈرز کو دی گئی ڈائریکٹر کی رپورٹ

آپ کی کمپنی کے ڈائریکٹروں کو خوشی ہے کہ سالانہ جنرل میٹنگ کے موقع پر کمپنی کے ڈائریکٹرز کمپنی کے مالی بیانات کی رپورٹ پیش کر رہے ہیں جو کہ آڈیٹرز کی رپورٹ کے ساتھ منسلک ہے یہ رپورٹ زیر جائزہ مالی سال مورخہ 30 جون 2019 پیش کیا جا رہا ہے۔

مجموعی جائزہ

زیر جائزہ سال مجموعی طور پر کافی مشکل سال ثابت ہوا ہے، سنگین توانائی کے بحران کے ساتھ ساتھ مالی ذرائع کی عدم دستیابی نے پیداواری صلاحیتوں کے استعمال میں رکاوٹ ڈالے رکھی۔ اس کے علاوہ ان نقصانات کا بنیادی سبب کام چلانے کے لیے سرمایہ کی عدم دستیابی سے پیدا ہونے والے مالی بحران کی وجہ سے بینکس اور دیگر مالی اداروں کی طرف سے بھی مالی امداد کو بھی یکطرفہ طور پر روک دیا گیا۔ جس کے نتیجے میں کمپنی بڑا خام مال جس کی مدد سے موجود مشینری کو مناسب سطح کی حد تک چلا کر پیداوار کو بڑھایا جاتا مناسب مقدار میں اور مناسب وقت پر نہ خرید سکی۔

قرض کی ادائیگی پر ورائل، زیادہ سود کی لاگت اور اس سے وابستہ لیکویڈیٹی مسائل نے کمپنی کو اپنے قرض دہندگان سے اپنے وعدوں کو ختم کرنے کے لئے مفاہمت سے مشروط ہونے کے ساتھ، اپنی قرض کی ذمہ داریوں کی تنظیم نو کا آغاز کرنے پر مجبور کر دیا ہے۔ کمپنی نے قرض دینے والے اہم مالیاتی اداروں کی مدد سے قرض کی تنظیم نو کا عمل شروع کیا ہے۔ اس سلسلے میں دفعہ 279 سے 283 اور 285 کے تحت انتظامات کی ایک اسکیم کو منظور کیا گیا ہے اور تمام محفوظ قرض دہندگان نے اس پر دستخط کیے ہیں اور اس کے بعد اس اسکیم کو سندھ ہائی کورٹ میں دائر کرنا ہے۔ یہ کمپنی سندھ ہائی کورٹ کی ہدایت کے مطابق ای او جی ایم اور قرض دہندہ کی میٹنگ کو طلب کرے گی۔ اسکیم کے مطابق تمام قرض دہندگان تمام قانونی چارہ جوئی واپس لے لیں گے۔

آپریٹنگ (کام کی سرگرمیوں) اور مالی کارکردگی کا جائزہ

2019	2018	کام کی نوعیت
-	-	سیلز
-	-	مجموعی نقصان
(584,184,324)	(355,411,995)	مالیاتی لاگت
(1,385,192,707)	(505,622,234)	ٹیکس دینے سے پہلے کا نقصان
9,257,793	37,198,272	ٹیکس
(1,375,934,914)	(468,423,962)	ٹیکس دینے کے بعد کا نقصان

مستقبل کی منصوبہ بندی

تنظیم نو کا عمل جلد مکمل ہونے کی امید ہے اور اس کے نتیجے میں پیداواری صلاحیتوں کا بہتر استعمال ہوگا۔ ایک مرتبہ جاری مفاہمت اور تنظیم نو کا عمل مکمل ہونے کے بعد، ہم آگے کی راہ پر گامزن ہونے کے لئے بہتر پوزیشن میں ہوں گے۔

آڈیٹرز کے اعتراضات

- تشویش کے بارے میں آڈیٹرز کا مشاہدہ، یہ بات قابل غور ہے کہ دفعہ 279 سے 283 اور 285 کے تحت منصوبہ بندی کے اسکیم پر بیشتر بینکوں / مالیاتی اداروں کے دستخط ہیں، کمپنی کے

ذریعہ یا اس کے خلاف جاری تمام قانونی چارہ جوئی متعلقہ فریقوں کے ذریعہ واپس لے لی جائے گی۔ سندھ ہائی کورٹ سے سکیم کے انتظامات کی منظوری کے بعد ..

- Management انتظامیہ موجودہ مالی بحرانوں سے نجات کے لئے پوری کوشش کر رہی ہے اور موجودہ بحران سے نکلنے کے لئے اپنی بہترین اور زیادہ سے زیادہ کوششیں کی ہے۔ ہچکچاہٹ سے ، انتظامیہ کو اپنی افرادی قوت کی بیشتر طاقت کو پیچھے چھوڑنا پڑا ہے اور اس نے وسائل کے تحفظ ، قدرتی وسائل کے موثر استعمال اور خام مال کی سمت قدم اٹھانے ہیں۔ اس لئے انتظامیہ کا خیال ہے کہ قرضوں کی تنظیم نو کے بعد تشویش کا مشاہدہ کیا جائے گا۔
- year کمپنی نے اس سال کے دوران منسلک مالیاتی بیان میں مارک اپ کی رقم کو مکمل طور پر فراہم کی جس کے تحت انتظامات کی اسکیم میں تمام بینکوں / مالی اداروں کی تصدیق شدہ رقم ہے۔
- an منسلک مالیاتی بیان میں ، قرض کی رقم اسکیم آف بندوبست سے لی گئی ہے جس کی تصدیق محفوظ قرض دہندگان نے کی ہے اور اس اسکیم کی منظوری کے لئے سندھ ہائی کورٹ میں جمع کرانی گئی ہے۔ آڈیٹر ان کے ریزرویشن کو صرف یہ ظاہر کرتا ہے کہ انہیں عام آڈٹ کے طریقہ کار کے مطابق انہیں بینکوں سے براہ راست تصدیق نہیں ملی ہے۔
- Company کمپنی بہت پر امید ہے کہ تنظیم نو اور رقم کی تصفیے کے بعد ، تصفیے کے بعد کے ماحول میں سیکیورٹی کی رہائی سے ، کمپنی کی مالی صحت بہتر ہوگی جس سے کمپنی نئے منافع بخش منصوبوں پر توجہ مرکوز کرسکے گی۔
- trade عدالت کے حکم کے مطابق مختلف گوداموں پر مہر لگا دی جانے کی وجہ سے تجارت میں اسٹاک کی تصدیق نہیں ہوسکتی ہے۔ انتظامات کی اسکیم کی منظوری کے بعد گودام کو ڈیسل کر دیا جائے گا۔

کارپوریٹ گورننس

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

بورڈ میٹنگز اور حاضر لوگ

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

میٹنگ میں حاضری

نام ڈائریکٹر	حاضری
نصیر احمد	4
وقار احمد	4
محمد زبیر	4
محمد ارشد	4
محمد عارف	4
ظفر اقبال	4
زبیر حسین	4
میاں خالد	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 دئے 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 دئے گئے ہیں۔

بورڈ آف ڈائریکٹرز نے مناسب اور موثر داخلی مالی کنٹرول سسٹم بنایا ہے اور اس پر سختی سے عمل پیرا ہیں جس میں، آپریشنل، فنانشل اور کمپنی کے کاروباری معاملات کی متعلقہ پالیسیز پر مناسب طریقے سے عمل درآمد ممکن بنایا جاسکے تاکہ کمپنی کے بنیادی اصول کے مقاصد کو حاصل کیا جاسکے۔ انٹرنل آڈٹ کی سفارشات اور مشاہدات کو آڈٹ کمیٹی نے نظر ثانی کیا اور جہاں پر ضروری سمجھا انہوں نے دی گئی سفارشات اور مشاہدات کی روشنی میں مناسب کارروائی کی۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ کے فریم ورک

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

- کمپنی انتظامیہ کی طرف سے جو مالی امور کا بیان پیش کیا جائے گا وہ کمپنی کے مالی امور کا اصل اور سچے چہرے کی عکاسی کرے اور کمپنی کے آپریشن کے نتائج/ماحصل/منافع/نقصان، کیش فلو اور ایکونٹی میں تبدیلیاں کی صحیح ترجمانی/آئینہ داری کرے۔
- کمپنی کے اکائونٹ بکس کی مناسب تیاری اور دیکھ بھال کرے۔
- مناسب اکائونٹنگ پالیسیز کی تیاری اور اس کی روشنی میں مالی امور کے بیان اور مالی تخمینہ جات کی تیاری اور اس سلسلہ میں معقول اور دانشمندانہ فیصلے کیے جائیں۔
- بین الاقوامی اکائونٹنگ 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۔
- بورڈ کے ڈائریکٹرز کو مالی امور کے بیان کے پیرا نمبر 1-2 میں دیے گئے ضابطہ کے سلسلہ میں کسی قسم کی کوئی خلاف ورزی نہ ہو۔
- کارپوریٹ گورننس کے سلسلہ میں بہتر بن طریقوں کو اختیار کیا جائے جن کا ذکر سٹاک ایکسچینج کے قوانین میں ہے اور کوئی خلاف ورزی سامنے نہ آئے۔
- گزشتہ 6 سالوں کا آپریشن 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۔

کمانی/نقصان بمطابق شیئر کی قیمت

بمطابق شیئر زکی حالیہ قیمت، کمپنی کا نقصان برائے اختتامی دورانیہ 30 جون 2019، فی شیئر (72.48) روپے ہے جو کہ پچھلے سال (24.67) روپے فی شیئر تھا۔

منافع

متذکرہ بالا پیش کردہ امور کی روشنی میں بورڈ ڈائریکٹر نے اختتامی دورانیہ 30 جون 2019 کیلئے کسی منافع کی سفارش نہیں کی ہے۔

ضابطہ اخلاق

کمپنی ہذا کے ہر ڈائریکٹر، ملازم کو مجوزہ ضابطہ اخلاق کے بارے میں تیار، آگاہ اور 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

متعلقہ فریقین کے ساتھ لین دین
 متعلقہ فریقین کے ساتھ لین دین کو آرمز لنگتہ پرائسز کے قانون کے مطابق کیا جاتا ہے جو کہ "کمپنیز ان کنٹرولڈ پرائس میتھڈ" کے مطابق طے شدہ ہے۔ کمپنی ہذا کارپوریٹ گورننس کے بہترین طریقوں کو اختیار کیے ہوئے ہے جن کا ذکر سٹاک ایکسچینج کے قوانین میں ہے۔

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

نام	اوپننگ بیلینس مورخہ	خریداری	فروخت	کلوزنگ بیلینس مورخہ
کوئی نہیں	2018-07-01	کوئی نہیں	کوئی نہیں	2019-06-30
کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں

عملہ کے ریٹائرمنٹ کے بینفٹ کی قیمت کا بیان

دورانہ برائے مورخہ 30 جون 2019 ڈیفارڈ لائبلٹی برائے گریجویٹ کی رقم = /130,801,480 روپے مختص کی گئی ہے۔

آڈیٹرز
 میسرز باقر تلی محمود ادریس قمر، چارٹرڈ اکائونٹنٹس نے اپنی کمپنی دوبارہ مقرر کرنے کی پیشکش کی ہے اور آڈٹ کمیٹی نے بھی ان کی بطور کمپنی کے بیرونی آڈیٹرز برائے اگلے مالی سال 2019-2020 کی تعیناتی کی سفارش /منظوری کی ہے۔

شیئر ہولڈنگ کا پیٹرن
 ضابطہ برائے کارپوریٹ گورننس کے مطابق 30 جون 2019 تک کا شیئر ہولڈنگ کا پیٹرن لف رپورٹ ہذا ہے۔

تحسینی اعترافات

آخر میں ہم اس موقع کا فائدہ اٹھاتے ہوئے چاہیں گے کہ اپنے کسٹمرز، اور مالی ادارے /بینکرز کا شکریہ ادا کریں جو کہ انہوں نے کمپنی کی ترقی اور نشوونما کیلئے مسلسل حمایت اور تعاون کیا اور ہم امید کرتے ہیں کہ اسی جذبے سے یہی تعاون اور حمایت جاری رہے گی۔
 ہم اپنی جذبے سے سرشار ٹیم اور ایگزیکٹوز /ڈائریکٹرز، دیگر عملے اور کارکنوں کا بھی شکریہ ادا کرتے ہیں جنہوں نے اس تمام عرصہ میں سخت محنت اور لگن سے کام کیا اور ہم آمدہ سال میں بھی اسی لگن اور محنت کی امید رکھتے ہیں تاکہ ہماری کمپنی پہلے سے بھی زیادہ بہتر نتائج حاصل کرے۔
 آخر میں (لیکن بالکل آخری نہیں) انتظامیہ اپنے بورڈ کی ہر دفعہ کی طرح اس دفعہ بھی بھرپور تعاون اور رہنمائی کا شکریہ ادا کرتے ہیں جو ہماری کمپنی کے لیے مستقبل کی زبردست منصوبہ بندی، بہتر رہنمائی اور مقاصد کا تعین کرتے ہیں۔

لاہور، 02 اکتوبر 2019

بورڈ آف ڈائریکٹرز کی طرف /جانب سے

نصیر احمد ،
 چیف ایگزیکٹو
 وقار احمد
 Natell Ahmed

Gulistan Textile Mills Limited

1st Floor Garden Heights, 8-Aibak Block, New Garden Town Lahore. Pakistan.
UAN: +92-42-111-200-000, Fax: +92-42-35941737-38
E-mail: info@gulistangroup.com.pk G.N. Comtext: A21PK002



STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS-2017

Year Ended

June30, 2019

The company has complied with the requirements of listed Companies (Code of Corporate Governance) Regulation-2017 (the regulations) in the following manner

1. The total number of directors is seven (including the Chief executive officer). The composition of the board is as follow.

Category	Names
Executive Directors	Mr. Naseer Ahmed and Mr.MuhammadArshad
Independent Director	Mr.Zubair Hussain Akhtar
Non-Executive Directors	Mr. Zafar Iqbal, Mr. Muhammad Arif,Mr.Waqar Ahmad ,Mr.Mian Khalid Nasim, Mr.Zubair Hussain Akhtar

2. The directors have confirmed that none of them is serving as a director in more than five listed companies, including this Company.
3. All the resident directors are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No Casual vacancies occur 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 Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
10. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
12. The Board has formed committees, comprising of members are given below.



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A) Audit Committee

Mr.Zubair Hussain Akhtar	Chairman
Mr.Waqar Ahmad	Member
Mr.Zafar Iqbal	Member

B) HR & Remueration Committee

Mr.Mian Khalid Nasim	Chairman
Mr.Waqar Ahmad	Member
Mr.Zafar Iqbal	Member

13. The term of reference of aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of the meetings (quarterly / half yearly / annually) are as per following.
 - a) Audit Committee Four Meeting were held during the financial year with at least one meeting in each quarter.
 - b) HR & Remuneration Committee Four Meeting were held during the financial year.
15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The board has formed an HR and Remuneration Committee. At present it comprises of three board members of whom two are non-executive directors and chairman of the committee is a non-executive director.
17. The Company will appoint female and second independent director as per CCG regulation-2017 within the due course of time.
18. The board has set up an effective internal audit function.
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. We confirm that all other requirements of the regulations-2017 have been complied with.

On behalf of the board of Directors

Chief Executive Officer

Lahore October 2, 2019

Chairman



BAKER TILLY
MEHMOOD IDREES
QAMAR

188 D-1, Model Town,
Lahore - Pakistan
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BTLHR/AA/GTM-81/2019/45

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBER OF GULISTAN TEXTILE
MILLS LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate
Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017, ("the Regulations") prepared by the Board of Directors of *Gulistan Textile Mills Limited* for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement 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 procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirement(s) of the Regulations were observed which are not stated in the Statement of Compliance:

1. During the year, no orientation courses were arranged for its directors to apprise them of their duties and responsibilities.
2. Nomination committee and risk management committee are not formed by the board.
3. The Company has not prepared, published and circulated quarterly unaudited financial statements as required by clauses (35) of the Code.

Based on our review, except for the above instance(s) 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 Regulations as applicable to the Company for the year ended June 30, 2019.

Further, we highlighted below instances of non-compliance with the requirements of the Regulations as reflected in the paragraphs where these are stated in the Statement of Compliance.

Sr. #	Reference	Description
1	1	The Company has appointed only one independent director.
2	17	The Company has not appointed any female director on its board.

Baker Tilly Mehmood Idrees Qamar

BAKER TILLY MEHMOOD IDREES QAMAR,
Chartered Accountants
Lahore

Date: 02/07/2019

Name of Engagement Partner: Bilal Ahmed Khan

BTLHR/AA/GTM-81/2019/44
INDEPENDENT AUDITOR'S REPORT

100 Leif Model Road
Lahore - Pakistan
Tel: +92 (042) 3584-2451
+92 (042) 3586-0550
Fax: +92 (042) 3584-5040

To the members of Gulistan Textile Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of *Gulistan Textile Mills Limited (the Company)*, which comprise the statement of financial position as at *June 30, 2019*, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary of the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in basis for adverse opinion paragraph, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at *June 30, 2019*, and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of *Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

- a) We have not received year end confirmations from banks and financial institutions in respect of bank balances aggregating Rs. 23.751 million (note 15.1), payable to banking companies under scheme of arrangement (note 26.1) amounting Rs. 7.794 billion (note 20) and accrued mark-up / interest amounting Rs. 2.576 billion (note 25). Further, year-end bank statements from all banks and financial institutions in respect of bank balances and borrowings were also not available.
- b) Certain litigations have been filed by/against the Company as disclosed in note 26.2 to these financial statements. The legal counsel of the Company in their respective direct responses to our confirmation requests, have not provided us the assessment of potential outcome of these litigations, whereas the management of the Company is of view that it is contesting these litigations on merits as well as cogent factual and legal grounds. We do not concur to the management's view on outcome of these litigations.

- c) We have not received year end direct balance confirmation from the creditors of the Company, hence, we do not concur to the break-up value/actual settlement value of trade and other payables amounting Rs. 31.707 million (note 24); and
- d) Stock-in-trade aggregating Rs. 135.459 million has not been verified. Accordingly, we do not concur to appropriateness of the write-off of stock-in-trade on account of obsolescence.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis for Adverse Opinion section, we have determined the following matters to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit.
<p>1. Valuation of disposal group under scheme of arrangement.</p> <p>As referred to in note 5 to the accompanying financial statements, the directors have decided to settle its liabilities to secured creditors through sale of items of property, plant and equipment under the scheme of arrangement.</p> <p>We have considered the above as a key audit matter due to the significant number of items of property, plant and equipment classified as disposal group under scheme of arrangement.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> - Inquired and discussed with management to develop an understanding of management for classification of items of property, plant and equipment as disposal group under scheme of arrangement; - Read minutes of meeting of board of directors for approval of items of property, plant and equipment to classify and present as disposal group under scheme of arrangement; - Obtained copy of the scheme of arrangement, duly signed by majority of secured creditors (i.e. banking companies) to establish complete understanding of the Scheme; - Obtained copy of revaluation report carried out by the restructuring agent - United Bank Limited from management to verify that carrying values disclosed is the financial statements are appropriate.
<p>2. Other receivables</p> <p>Refer to note 14 to the financial statements and accounting policy in note 3.8 to the financial statements.</p> <p>The Company has significant balance of other receivables comprising of sales tax refunds, which</p>	<p>Our audit procedures included the followings:</p> <ul style="list-style-type: none"> - Developed an understanding of management process for recovery of sales tax;

<p>have been outstanding over previous years.</p> <p>We identified recoverability of sales tax refundable as a key audit matter as it involves significant management judgment in determining the recoverable amount, timing and involvement of legal/fiscal laws.</p>	<ul style="list-style-type: none"> - Obtained copy of annual sales tax return to verify amount of refundable; - Checked relevant provisions of the Sales Tax Act, 1990 to establish the amount, timing and other matters incidental to the refundability of the sales tax.
--	--

Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and requirements of Companies Act, 2017, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt in the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communications.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017;
- b) because of the matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn-up in conformity with the Companies Act, 2017, and however, the same are in agreement with the books of accounts and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (VIII of 1980).

Other Matter

The financial statements of the Company, for period under consideration, have been prepared on liquidation / break-up value basis as disclosed in note 2.2 to the financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ahmed Khan.

Bilal Ahmed Khan

BAKER TILLY MEHMOOD IDREES QAMAR
Chartered Accountants
Lahore.

Date: 02 OCT 2019

ISTAN TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

		2019	2018	2017
	Note	Rupees	Restated Rupees	Restated Rupees
ASSETS				
Property, plant and equipment	4	6,313,731	3,335,758,595	3,409,557,897
Fixed deposit group under scheme of arrangement	5	1,777,607,362	-	-
Term investments	6	-	-	-
Term deposits	7	-	52,886,957	52,886,957
Prepaid, spare parts and loose tools	8	-	10,012,335	20,024,669
Prepaid-in-trade	9	135,459,672	169,324,748	237,981,804
Due from debtors	10	485,000	43,179,367	51,063,376
Prepaid and advances	11	-	227,699	489,238
Prepaid deposits and other receivable	12	36,403,073	36,653,073	36,975,073
Provisioned mark-up / interest	13	-	7,224,825	7,224,825
Refunds due from Government	14	19,652,607	22,029,413	22,019,829
Prepaid and bank balances	15	23,751,128	58,991,784	58,990,886
		<u>1,999,672,573</u>	<u>3,736,288,796</u>	<u>3,897,214,554</u>
LIABILITIES AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	16	189,838,990	189,838,990	189,838,990
Reserves	17	576,748,715	576,748,715	576,748,715
Provision on revaluation of property, plant and equipment	18	910,658,520	1,248,863,145	1,256,884,080
Accumulated losses		(10,695,782,564)	(9,336,118,273)	(8,885,163,950)
Retained equity		<u>(9,018,536,339)</u>	<u>(7,320,667,423)</u>	<u>(6,861,692,165)</u>
Ordinated loan	19	423,800,000	423,800,000	423,800,000
LIABILITIES				
Provision due to banking companies under scheme of arrangements	20	7,794,225,000	7,652,324,566	7,652,324,566
Provision from associates and others	21	29,178,399	28,890,056	27,694,522
Employment benefits payables	22	130,801,480	130,518,258	130,361,812
Provision for taxation	23	-	311,018,601	359,837,960
Provision and other payables	24	63,257,091	252,296,859	262,179,428
Provisioned mark-up / interest	25	2,576,646,000	2,256,432,456	1,901,033,008
Provision for dividend		300,942	300,942	300,942
Provision for taxation		-	1,374,481	1,374,481
		<u>10,594,408,912</u>	<u>10,633,156,219</u>	<u>10,335,106,719</u>
CONTINGENCIES AND COMMITMENTS				
	26	-	-	-
TOTAL EQUITY AND LIABILITIES				
		<u>1,999,672,573</u>	<u>3,736,288,796</u>	<u>3,897,214,554</u>

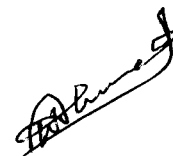
Annexed notes from 1 to 46 form an integral part of these financial statements.



MANAGING EXECUTIVE



CHIEF FINANCIAL OFFICER




DIRECTOR

GULISTAN TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Restated Rupees
Sales	27	-	-
Cost of sales	28	-	-
		-	-
Operating cost	29	(90,832,830)	(154,466,920)
Administrative expenses	30	(9,076,624)	(8,409,782)
Other operating expenses	31	(929,655,490)	(261,537)
		(1,029,564,944)	(163,138,239)
Loss from operations		(1,029,564,944)	(163,138,239)
Other income	32	228,556,561	12,928,000
Finance cost	33	(584,184,324)	(355,411,995)
		(1,385,192,707)	(505,622,234)
Loss before taxation		(1,385,192,707)	(505,622,234)
Taxation	34	9,257,793	37,198,272
		(1,375,934,914)	(468,423,962)
Loss after taxation		(1,375,934,914)	(468,423,962)
Loss per share + basic and diluted	35	(72.48)	(24.67)

The annexed notes from 1 to 46 form an integral part of these financial statements.


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

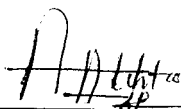
GULISTAN TEXTILE MILLS LIMITED
 STATEMENT OF OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Restated Rupees
Loss after taxation	(1,375,934,914)	(468,423,962)
Other comprehensive income;		
Impairment loss on operating fixed assets	(623,694,810)	-
Reversal of deferred tax liability related to surplus on revaluation	180,871,495	-
Derecognition of deferred tax liability on surplus on revaluation	120,889,313	-
Effect of change of rate enacted	-	9,448,704
	(321,934,002)	9,448,704
Total comprehensive loss for the year	(1,697,868,916)	(458,975,258)

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER




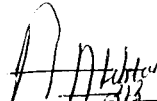
DIRECTOR

GULISTAN TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Note	Rupees	Restated Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,385,192,707)	(505,622,234)
Adjustments for non-cash charges and other items:		
Depreciation	48,048,441	73,799,303
Impairment loss	880,094,251	-
Provision for slow moving stores and spares	10,012,335	10,012,334
NRV loss on stock-in-trade	33,865,075	68,657,055
Provision for staff retirement benefits - gratuity	293,223	239,223
Finance cost	584,184,324	355,411,995
Reversal of provision against trade debts	(10,132,700)	(12,928,000)
Receivable written-off	8,972,814	-
Debtors written-off	40,360,726	-
Liabilities written-off	(218,423,861)	-
Cash flows before working capital changes	(7,918,079)	(10,430,324)
Net changes in working capital	36 7,142,228	10,775,353
Cash generated from operations	(775,851)	345,021
Finance cost paid	(34,728,756)	(12,541)
Staff retirement benefits - gratuity paid	(10,001)	(322,000)
Income tax paid	(14,391)	(9,581)
Net cash from / (used) in operating activities	(35,528,999)	891
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt on sale of non-current assets classified as held for sale	-	-
Interest received	-	-
Net cash from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against loan from associates and other parties	288,343	-
Repayment of liabilities against assets subject to finance lease	-	-
Net cash used in financing activities	288,343	-
Net increase / (decrease) in cash and cash equivalents during the year	(35,240,656)	891
Cash and cash equivalents at beginning of year	58,991,784	58,990,881
Cash and cash equivalents at end of year	38 23,751,128	58,991,772

The annexed notes from 1 to 46 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

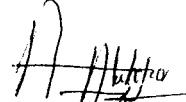

DIRECTOR


GULISTAN TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

Share capital	Capital reserve			Revenue reserves		Total	
	Share premium	Unrealized loss on available for sale investment	Revaluation surplus	General reserve	Accumulated losses		
Rupees							
Balance as at July 01, 2017 - as previously reported	189,838,990	379,080,000	(6,252,679)	1,256,884,080	203,921,394	(7,048,828,162)	(5,025,356,377)
Effect of recognition of mark-up under scheme of arrangement	-	-	-	-	-	(1,836,335,788)	(1,836,335,788)
Balance as at July 1, 2017 - restated	189,838,990	379,080,000	(6,252,679)	1,256,884,080	203,921,394	(8,885,163,950)	(6,861,692,165)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	(17,469,639)	-	17,469,639	-
Loss for the year - restated	-	-	-	-	-	(468,423,962)	(468,423,962)
Other comprehensive income	-	-	-	9,448,704	-	-	9,448,704
	-	-	-	9,448,704	-	(468,423,962)	(458,975,258)
Balance as at June 30, 2018 - restated	189,838,990	379,080,000	(6,252,679)	1,248,863,145	203,921,394	(9,336,118,273)	(7,320,667,423)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	(16,270,623)	-	16,270,623	-
Loss for the year	-	-	-	-	-	(1,375,934,914)	(1,375,934,914)
Other comprehensive income	-	-	-	(321,934,002)	-	-	(321,934,002)
	-	-	-	(321,934,002)	-	(1,375,934,914)	(1,697,868,916)
Balance as at June 30, 2019	189,838,990	379,080,000	(6,252,679)	910,658,520	203,921,394	(10,695,782,564)	(9,018,536,339)

The annexed notes from 1 to 46 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

GULISTAN TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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). The Company is principally engaged in the manufacture and sale of yarn, fabrics and other ancillary products.

Geographical location and addresses of all business units and offices are as follows:

Sr. #	Manufacturing units and offices	Address
1	Spinning unit-I	18 K.M Sama Satta, District Bahawalpur, Pakistan.
2	Spinning unit-II	Tibba Sultanpur, Chowk Metla, District Vehari, Pakistan.
3	Spinning unit-IV	26 K.M, Sheikhpura Faislabad Road, Ferozwatwan, Sheikhpura, Pakistan.
4	Registered office	2 nd Floor, Finlay House, I.I Chundryghar Road, Karachi, Pakistan.
5	Regional office	2 nd Floor, Garden Heights, 8 Abik Block, New Garden Town, Lahore, Pkaistan.

1.2 Scheme of arrangement with secured creditors

The Company along with its restructuring agent - United Bank Limited and majority of the lending financial institutions has signed a "Scheme of Arrangement" under sections 279 to 283 read with section 285 of the Companies Act, 2017 ("the Act"). The said Scheme has been approved by the Board of the Company on September 10, 2019 and is pending before Honorable High Court of Sindh for approval for further actions. Under this Scheme, the existing financial obligations / liabilities of the Company towards the secured creditors shall be settled by way of sale of moveable and immovable items of property, plant and equipment ("charged assets") of the Company and payment of the proceeds thereof to the secured creditors as contemplated under this Scheme along with incidental ancillary matters, thereto.

This Scheme, if agreed-upon by the requisite majority of the secured creditors and shareholders of the Company as stipulated in the Act, and sanctioned by the Honorable high court by an order passed in this respect, would be binding on the Company, along with all the shareholders and creditors - secured or otherwise, stakeholders and any other regulatory / statutory bodies of / or with respects to the Company. The Scheme seeks to record the terms and conditions of a legally binding compromise and arrangement between the secured creditors on one part and the Company and its directors and sponsors on the other part, for ensuring, inter alia, the settlement of the existing liabilities and ancillary measures as follows:

- a) Constitution of an Assets Sales Committee having such powers and undertaking such functions as stated in the Scheme;
- b) Settlement and repayment of the existing liabilities pursuant to the sale of all moveable and immovable items of property, plant and equipment of the Company, by and under the supervision of the Asset Sale Committee, the proceeds from which are to be distributed inter se the secured creditors in accordance with the provisions of this Scheme;
- c) Pooling of securities over the charged assets which are available with the secured creditors to be shared amongst all the secured creditors on a pari passu basis in proportion to their share of the existing liabilities - principal portion (irrespective of charge), upon the release of the security interests over the charged assets for the purposes of consummating the sale thereof in the manner prescribed under the Scheme;
- d) Release of the pledged stock, and sales thereof for the purposes specified under the Scheme;
- e) Provision of the additional Security by the Company to form part of the Sale Assets ("charged assets plus additional security") which shall be sold in the manner detailed in the Scheme;

- f) The withdrawal of all legal proceedings (refer to note 26.1), which shall be subject to the sale of the Sale Assets and pledged stocks and completion of all relevant formalities, in accordance with the provisions of this Scheme; and

This Scheme shall become binding, operative and effective as soon as an order is passed by the Court under Section 279 / 282 of the Act, sanctioning the Scheme and making any necessary provisions under Section 282 of the Act, or such other date as stipulated by the Court (the "Completion Date").

1.3 Summary of significant transactions and events affecting the Company's financial position and performance

- The Company along with its restructuring agent - United Bank Limited and majority of the lending financial institutions has signed a "Scheme of Arrangement" under sections 279 to 283 read with section 285 of the Companies Act, 2017 ("the Act") as described in note 1.3.
- Due to the Scheme described in note 1.2 to these financial statements, the directors have determined that the going concern basis of preparation (as applied in previous years) is no longer appropriate. (For detailed information please refer to note 2.2)
- There are no significant transaction and event affecting the Company's financials position and performance during the year, other than those stated above.

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 (IFRS's) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

Due to the Scheme described in note 1.2 to these financial statements, the directors have determined that the going concern basis of preparation (as applied in previous years) is no longer Accordingly, the financial statements have been prepared on liquidation/break-up basis, following the intention of directors to settle the liabilities through proceeds of disposal of items of property, plant and equipment.

Impact of adopting the liquidation basis of preparation on measurement, classification of assets and liabilities, and disclosures in the financial report.

Under the liquidation basis of preparation, assets and liabilities are measured at their liquidation value. The liquidation value of assets is their net realizable value. Net realizable value is based on the proceeds receivable on disposal less liquidation costs as detailed in the accounting policies noted below. The liquidation value of liabilities is their expected settlement amount as detailed in the accounting policies noted below. Any gains or losses resulting from measuring assets and liabilities to the liquidation value are recognized in profit or loss or otherwise under the auspices of *approved accounting standards*.

Under the liquidation basis of accounting, all assets and liabilities are classified as current. In adopting the liquidation basis, the directors have continued to apply the disclosure requirements of approved accounting standards to the extent they are relevant to the liquidation basis, and have modified them where this is considered appropriate.

The accounting policies adopted are consistent with those of the previous financial year except for changes specified related to the adoption of the liquidation basis of preparation and to the extent described below.

Comparative information has not been restated, and is measured and presented on a going concern basis.

Following table show how individual account heads are dealt in these financial statements:

Sr. #	Account head	Basis of measurement	Adjustment
1	Property, plant and equipment	Fair market value which approximates the net book value at the date of financial statements.	No adjustment has been made.
2	Disposal group under scheme of arrangement	Forced sale value as per revaluation carried In October 2018.	Impairment charged to surplus on revaluation and statement of profit or loss.
3	Long-term investments	On estimated fair value basis.	No adjustment has been made
4	Long-term deposits	Probability of recovery.	To statement of profit or loss.
5	Stores, spare parts and loose tools	On estimated market value basis.	To statement of profit or loss.
6	Stock-in-trade	On estimated market value basis.	
7	Trade debtors	Realizable values based on probability of recovery.	To statement of profit or loss.
8	Loans and advances	Realizable values based on probability of recovery.	To statement of profit or loss.
9	Trade deposits and other receivables	Realizable values based on probability of recovery.	To statement of profit or loss.
10	Bank balances	Undisputed/irrevocable balances.	To statement of profit or loss.
11	Subordinated loan	On expected settlement value.	No adjustment has been made
12	Surplus on revaluation of operating fixed assets	On net book value.	As per reporting framework.
13	Payable to banking companies under scheme of arrangement	As given in Scheme of Arrangement agreed by majority of banking companies.	To statement of profit or loss.
14	Loan from associates and other parties	On expected settlement value.	No adjustment has been made
15	Staff retirement benefits - gratuity	On expected settlement value.	No adjustment has been made
16	Unclaimed dividend	On expected settlement value.	No adjustment has been made
17	Deferred taxation	On liquidation basis.	Charged to surplus on revaluation and statement of profit or loss.
18	Trade and other payables	On expected settlement value.	To statement of profit or loss.
19	Accrued mark-up / interest	On expected settlement value.	To statement of profit or loss.

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.

2.4 Standards, interpretations and amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following standards, interpretations and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2018:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'
- IFRS 15 (Amendments), 'Revenue from Contracts with Customers'
- IAS 40 (Amendments), 'Investment Property'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- Annual Improvements to IFRSs: 2014 - 2016 Cycle

Most of the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after July 01, 2019 or later periods:

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.

On December 12, 2017, IASB issued Annual Improvements to IFRSs: 2015-2017 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 3 'Business Combinations', IFRS 11 'Joint Arrangements', IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs'. The amendments are effective for annual periods beginning on or after January 01, 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in

On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits—this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

2.6 Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied over previous years holding for comparative figures are;

3.1 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, plant and machinery, power house, electric installation, factory equipment, air conditioner and lease hold power house which are measured at revalued amount less accumulated depreciation and accumulated impairment losses.

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

Cost of items of property, plant and equipment comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

IFRS 16 'Lease' (effective for annual periods beginning on or after January 01, 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

Amendments to IFRS 9 (effective for annual periods beginning on or after January 01, 2019) clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

IAS 28 (Amendments) 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after January 01, 2019). The IASB has clarified that IFRS 9, including its impairment requirements, applies to long-term interests. Furthermore, in applying IFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28). The amendments are not likely to have significant impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 3 'Business Combinations' (effective for annual periods beginning on or after January 01, 2020). The International Accounting Standards Board (IASB) has issued 'Definition of Business' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

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

Surplus arising on revaluation of an item of property, plant and equipment is credited to surplus on revaluation of property, plant and equipment, except to the extent that it reverses deficit on revaluation of the same assets previously recognized in profit and loss, in which case the surplus is credited to profit and loss to the extent of deficit previously charged to income. Deficit on revaluation of an item of property, plant and equipment is charged to profit and loss to the extent that it exceeds the balance, if any held in surplus on revaluation of property, plant and equipment relating to previous revaluation of that item.

On subsequent sale or retirement of revalued item of property, plant and equipment, the attributable surplus net of deferred tax, if any, remaining in the surplus on revaluation of property, plant and equipment is transferred directly to unappropriated profit. An amount equal to incremental depreciation, being the difference between the depreciation based on revalued amounts and that based on original cost, net of deferred tax, if any, is transferred from surplus on revaluation of property, plant and equipment to unappropriated profit every year.

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

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

An item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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.

3.2 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 4 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.

3.3 Assets classified as disposal group

Assets held for disposal are classified as disposal group if their carrying amounts will be recovered principally through a sale/ disposal rather than through continuing use. Such non-current assets are measured at the lower of their carrying amount and fair value less cost to sell. Property and equipment and intangibles assets once classified as held for sale / disposal are not depreciated or amortized.

3.4 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 recognized at cost and the carrying amounts are increased or decreased to recognize 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 recognized 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 recognized in the associated companies' profit or loss. The Company's share of those changes is recognized 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 recognized.

Available for sale investments

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

Other investments

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

Investments with fixed maturity that the management has the positive 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.

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

3.5 Long-term deposits

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

3.6 Stores, spare parts and loose tools

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

3.7 Stock-in-trade

Stock-in-trade is valued at lower of weighted average cost and net realizable value (NRV) except waste, which is valued at NRV.

Net realizable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale. Cost of raw materials, packing materials and components represent invoice values plus other charges paid thereon.

Cost in relation to work-in-process and finished goods represents direct cost of raw materials, wages and appropriate manufacturing overheads.

Goods in-transit are valued at cost comprising of invoice value plus other charges accumulated up to the reporting date.

3.8 Trade debts and other receivables

Trade debts are initially recognized at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at cost less provision for doubtful debts. Carrying amounts of trade and other receivables are assessed at each reporting date and a provision is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written-off.

3.9 Staff retirement benefits - gratuity

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

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

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

Deferred tax asset is recognized 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 recognized 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 realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date.

3.11 Provisions, contingent assets and contingent liabilities

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

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

3.12 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.

3.13 Revenue recognition

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

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

3.14 Foreign currency translations

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

3.15 Financial instruments

Non-derivative financial assets

The Company classifies non-derivative financial assets as available for sale (6), loans and other receivables. Loans and receivables comprise investments classified as loans and receivables, cash and cash equivalents and trade and other receivables.

Trade debts, other receivables and other financial assets

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

Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand, cash with banks in 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.

Off-setting of financial assets and liabilities

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

3.16 Related party transactions

All transactions with related parties are carried out by the company at arms' length price using the method prescribed under the Companies Act, 2017 (comparable uncontrolled price method) with the exception of loan taken from related parties which is interest / mark-up free.

3.17 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 recognized 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 recognized 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.

3.18 Dividend and appropriation to reserves

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

3.19 Significant accounting estimates and judgments

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 3.1)
- (ii) Net realisable values of stores, spares and loose tools and stock-in-trade.(note 3.6 and 3.7)
- (iii) Provision for impairment of trade debts.(note 3.8)
- (iv) Provision for staff retirement benefit - gratuity.(note 3.9)
- (v) Provision for taxation (note 3.10)

	Note	2019 Rupees	2018 Rupees
4 PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment	4.1	<u>6,313,731</u>	<u>3,335,758,595</u>

4.1 Property, plant and equipment

	Owned						Leased					Total	
	Freehold land	Lease hold land	Buildings on free hold land	Buildings on lease hold land	Plant and machinery	Power houses	Tools and equipments	Furniture and fixture	Computers	Vehicles	Plant and machinery		Power houses
As July 01, 2017													
Opening net book value	72,800,000	665,451,110	178,633,605	1,139,878,370	192,907,763	6,011,301	4,676,348	366,177	1,779,670	509,501,779	45,427,058	1,912,717	3,409,557,897
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	(16,636,278)	(4,465,840)	(28,496,959)	(7,716,311)	(601,130)	(467,635)	(122,047)	(355,934)	(12,737,544)	(1,817,082)	(382,543)	(73,799,303)
Closing net book value	72,800,000	648,814,832	174,167,765	1,111,381,411	185,191,452	5,410,171	4,208,713	244,130	1,423,736	496,764,235	43,609,976	1,530,174	3,335,758,594
As at June 30, 2018													
Revaluation /Cost	72,800,000	761,165,050	204,387,917	1,387,769,561	263,295,512	37,902,812	18,909,460	5,607,088	25,319,081	620,553,546	62,134,974	13,236,108	4,062,293,109
accumulated Depreciation	-	(112,350,218)	(30,220,152)	(276,388,150)	(78,104,060)	(32,492,641)	(14,700,747)	(5,362,958)	(23,895,345)	(123,789,311)	(18,524,998)	(11,705,934)	(727,534,514)
Net book value	72,800,000	648,814,832	174,167,765	1,111,381,411	185,191,452	5,410,171	4,208,713	244,130	1,423,736	496,764,235	43,609,976	1,530,174	3,335,758,595
Year ended June 30, 2019													
Opening net book value	72,800,000	648,814,832	174,167,765	1,111,381,411	185,191,452	5,410,171	4,208,713	244,130	1,423,736	496,764,235	43,609,976	1,530,174	3,335,758,595
Disposals/Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
- cost	-	-	-	-	-	-	-	-	-	-	-	-	-
- accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	(15,000,350)	(4,026,692)	(15,559,211)	(4,139,788)	(299,876)	(420,871)	(81,369)	(284,747)	(6,954,642)	(974,861)	(306,035)	(48,048,441)
Impairment	(2,080,000)	(67,794,439)	(18,198,730)	(724,257,982)	(120,075,897)	(3,436,784)	-	-	-	(323,728,163)	(28,276,181)	-	(1,503,789,061)
Classified as held for sale	(374,271,115)	(70,720,000)	(566,020,043)	(151,942,343)	(371,564,218)	(60,975,767)	(1,673,511)	-	-	(166,081,431)	(14,358,934)	-	(1,777,607,362)
Closing net book value	-	-	-	-	-	-	3,787,842	162,761	1,138,989	-	-	1,224,139	6,313,731
Revaluation /Cost	72,800,000	761,165,050	204,387,917	1,387,769,561	263,295,512	37,902,812	18,909,460	5,607,088	25,319,081	620,553,546	62,134,974	13,236,108	4,062,293,109
Less: accumulated depreciation	-	(127,350,568)	(34,246,844)	(291,947,361)	(82,243,848)	(32,792,517)	(15,121,618)	(5,444,327)	(24,180,092)	(130,743,953)	(19,499,859)	(12,011,969)	(775,582,955)
impairment	(215,940,885)	(67,794,439)	(18,198,730)	(724,257,982)	(120,075,897)	(3,436,784)	-	-	-	(323,728,163)	(28,276,181)	-	(1,503,789,061)
classified as held for sale	(374,271,115)	(70,720,000)	(566,020,043)	(151,942,343)	(371,564,218)	(60,975,767)	(1,673,511)	-	-	(166,081,431)	(14,358,934)	-	(1,777,607,362)
Net book value	-	-	-	-	-	-	3,787,842	162,761	1,138,989	-	-	1,224,139	6,313,731
Rate of depreciation	-	2.5%	2.5%	2.5%	2.5%	4.0%	10%	10%	10%	2.5%	4.0%	20%	20%

	Note	2019 Rupees	2018 Rupees
4.2	Depreciation charge has been allocated as follows;		
		46,955,419	72,151,730
		1,093,022	1,647,573
		<u>48,048,441</u>	<u>73,799,303</u>

4.3 The Company has revalued its freehold land, leasehold land, buildings on freehold land, buildings on leasehold land, plant and machinery, power house, leasehold planed and machinery and leasehold power house on October 23, 2018. Had the property, plant and equipment been recognized under the cost model, the carrying amount of each revalued class of property, plant and equipment would have been as follows;

	Note	2019 Rupees	2018 Rupees
Owned assets			
Free hold land		11,941,615	11,941,615
Lease hold land		150,000	150,000
Buildings on free hold land		161,618,687	165,762,756
Buildings on lease hold land		67,193,058	68,915,957
Plant and machinery		848,076,812	869,822,371
Power houses		103,230,536	107,531,808
Leased assets			
Plant and machinery		480,893,602	493,224,207
Power houses		51,513,324	53,659,712
		<u>1,724,617,633</u>	<u>1,771,008,426</u>

4.4 Forced sale value of the revalued assets on the date of latest revaluation is as under:

Particulars	Rupees
Owned:	
Freehold land	374,271,115
Lease hold land	70,720,000
Building on Freehold land	575,613,603
Building on Lease hold land	154,517,637
Plant and machinery	377,861,917
Power houses	62,646,336
Tools and equipments	1,793,048
Leased:	
Plant and machinery	168,896,370
Power houses	14,752,329
	<u>1,801,072,355</u>

4.5 Particulars of Immovable fixed assets are as follows:

Manufacturing units	Address	Area of land (Kanals)
Free hold land	Qutab Pur, Lodhran, Pakistan	78.16
Spinning unit-I	18 K.M Sama Satta, District Bahawalpur, Pakistan.	265.8
Spinning unit-II	Tibba Sultanpur, Chowk Metla, District Vehari, Pakistan.	104
Spinning unit-IV	26 K.M, Sheikhpura Faisalabad Road, Ferozwatwan, Sheikhpura, Pakistan.	215.4
		<u>663.36</u>

	Note	2019 Rupees	2018 Rupees
5 DISPOSAL GROUP UNDER SCHEME OF ARRANGEMENT			
Owned			
Freehold land		374,271,115	-
Lease hold land		70,720,000	-
Building on Freehold land		566,020,043	-
Building on Lease hold land		151,942,343	-
Plant and machinery		371,564,218	-
Power houses		60,975,767	-
Tools and equipment		1,673,511	-
Leased			
Plant and machinery		166,081,431	-
Power houses		14,358,934	-
		<u>1,777,607,362</u>	<u>-</u>

The Company along with its restructuring agent - United Bank Limited and majority of the lending financial institutions has signed a "Scheme of Arrangement" under sections 279 to 283 read with section 285 of the Companies Act, 2017 ("the Act") as detailed in note 1.2. Hence, above mentioned assets has been classified and presented under disposal group under scheme of arrangement.

	Note	2019 Rupees	2018 Rupees
6 LONG-TERM INVESTMENTS			
Other investments - available for sale	6.1	-	-
6.1 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 nil (2018: nil)			
Add: adjustment at measurement to fair value			
Market value as at Rs. nil (2018 : Rs. nil) per share			
6.2 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 (2018: nil)			
Market value as at Rs. nil (2018 : Rs. nil) per share			

During the 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 were accounted for under the equity method of accounting up till the date the companies remained associated undertakings as per the requirement of International Accounting Standard (IAS) 28 "Investments in Associates".

	Note	2019 Rupees	2018 Rupees
7 LONG-TERM DEPOSITS			
Lease key money	7.1	-	44,930,859
Other security deposits	7.2	-	7,956,098
		<u>-</u>	<u>52,886,957</u>
7.1	Lease deposits have been adjusted against liability against assets subject to finance lease under the Scheme of Arrangement as described in note 1.2.		
7.2	This includes security deposits against rental premises, electricity connection, SNGPL connection etc. The probability of recovery of these deposits are remote that's why these deposits have been written-off to profit or loss account.		

	Note	2019 Rupees	2018 Rupees
8 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores, spare parts and loose tools - at mills		-	97,157,444
Less: provision for slow moving stores		-	(87,145,109)
		<u>-</u>	<u>10,012,335</u>

Store, spare parts and loose tools has been fully written down on account of obsolescence as mills operations has been blocked since March 2014.

	Note	2019 Rupees	2018 Rupees
9 STOCK-IN-TRADE			
Raw material	9.1	101,783,353	127,229,350
Finished goods	9.2	33,676,319	42,095,398
		<u>135,459,672</u>	<u>169,324,748</u>

9.1 Raw material having net realizable value of Rs. 127.22 million (2018: 153.79 million) has been written down at their realizable value of Rs. 101.78 million (2018: Rs.127.22 million). The amount charged to profit and loss in respect of stock written down to their replacement cost is Rs. 25.44 million (2018: Rs. 26.56 million).

9.2 Finished goods costing Rs. 42.09 million (2018: 84.19 million) has been written down at their net realizable value of Rs. 33.67 million (2018: Rs. 42.09 million). The amount charged to profit and loss in respect of stocks written down to their net realizable value Rs. 8.41 million (2018: Rs. 42.10 million).

9.3 All of the current assets of the Company are under banks' charge as security of short-term borrowings. The Company filed a global suit in the Lahore High Court against all banks / financial institutions under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001. Further various banks and financial institutions have also filed suits before Banking Court, Sindh High Court and Lahore High Court for recovery of their financial liabilities through attachment and sale of Company's hypothecated / mortgaged / charged stocks and properties as fully explained in note Litigation with banks and financial institutions.

	Note	2019 Rupees	2018 Rupees
10 TRADE DEBTS			
Considered good			
Local - unsecured		485,000	43,179,367
Considered doubtful			
Local - unsecured		-	176,857,786
Foreign - secured		-	23,983,761
		-	200,841,547
Less: provision for doubtful debts	10.2	-	(200,841,547)
		<u>485,000</u>	<u>43,179,367</u>

10.1 Doubtful trade debts has been written-off as probability of recoverability is remote to the date of these financial statement.

	Note	2019 Rupees	2018 Rupees
10.2 Movement in provision for doubtful debts			
Balance at beginning of the year		200,841,547	213,769,547
Less: reversal during the year		(10,132,700)	(12,928,000)
written-off during the year		(190,708,847)	-
		<u>-</u>	<u>200,841,547</u>
11 LOANS AND ADVANCES - unsecured			
Considered good			
Advances to / against;			
- employees	11.1	-	227,699
Considered doubtful			
Advances to supplier	11.2	-	26,300,331
Less: provision for doubtful		-	(26,300,331)
		<u>-</u>	<u>227,699</u>
11.1	This includes, advances to employees against post employment benefits in accordance with Company policy.		
11.2	Advances to supplier have been written-off as probability of recoverability is remote to the date of these financial statement.		

	Note	2019 Rupees	2018 Rupees
12 TRADE DEPOSITS AND OTHER RECEIVABLES			
Trade deposits and other receivable			
Sundry advances / receivable		<u>36,403,073</u>	<u>36,653,073</u>
13 ACCRUED MARK-UP / INTEREST			
Interest accrued on bank deposits		<u>-</u>	<u>7,224,825</u>
Mark-up receivable from banks has been adjusted against financial liabilities from relevant banks.			

	Note	2019 Rupees	2018 Rupees
14 TAX REFUNDS DUE FROM GOVERNMENT			
Advance income tax		-	2,376,806
Sales tax		<u>19,652,607</u>	<u>19,652,607</u>
		<u>19,652,607</u>	<u>22,029,413</u>

	Note	2019 Rupees	2018 Rupees
15 CASH AND BANK BALANCES			
Cash-in-hand		-	524,002
Balance with banks on;			
- current accounts	15.1	6,476	32,240,924
- deposit accounts		155	2,482,361
- term-deposit receipt	15.2	<u>23,744,497</u>	<u>23,744,497</u>
		<u>23,751,128</u>	<u>58,991,784</u>

15.1 Majority of the Company's bank accounts operations have been blocked by the respective bank due to on-going litigations with these banks as detailed in note to the financial statements. Further due to the litigation and blockage of bank accounts, bank statements for the year ended June 30 2019 from various banks having balances aggregating to Rs. 23.745 million (2018: Rs. 34.53 million) are not available to ensure balances held with these banks. Further, year end balance confirmation of banks having balances aggregating to Rs. 23.751 million (2018: Rs. 34.537 million have also not been received due to litigation.")

15.2 These are under lien regarding guarantees provided to different government departments.

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019 Numbers	2018 Numbers		2019 Rupees	2018 Rupees
<u>30,000,000</u>	<u>30,000,000</u>	Authorized capital		
		Ordinary shares of Rs. 10/- each	<u>300,000,000</u>	<u>300,000,000</u>
		Issued, subscribed and paid-up capital		
		Ordinary shares of Rs. 10 each		
4,771,715	4,771,715	issued as fully paid in cash	47,717,150	47,717,150
		Ordinary shares of Rs. 10 each		
14,212,184	14,212,184	issued as fully bonus shares	142,121,840	142,121,840
<u>18,983,899</u>	<u>18,983,899</u>		<u>189,838,990</u>	<u>189,838,990</u>

17 RESERVES

Capital reserve

Share premium	17.1	379,080,000	379,080,000
Un-realized loss on remeasurement of available for sale investment		(6,252,679)	(6,252,679)

Revenue reserve

General reserve		203,921,394	203,921,394
		<u>576,748,715</u>	<u>576,748,715</u>

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

18 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	Note	2019 Rupees	2018 Rupees
Balance at the beginning of the year		1,550,623,953	1,575,229,079
Transfer to unappropriated profit in respect of;			
- incremental depreciation		(16,270,623)	(24,605,126)
Less: Impairment charged		<u>(623,694,810)</u>	-
Balance at the beginning of the year - gross		910,658,520	1,550,623,953
Related deferred tax liabilities on:			
Revaluation at the beginning of the year		₹ 301,760,808	318,344,999
Incremental depreciation on revalued assets		(4,718,481)	(7,135,487)
on impairment on fixed assets		(180,871,495)	
derecognition of deferred tax liability		(116,170,832)	
Effect of change of rate enacted		-	(9,448,704)
		<u>-</u>	<u>301,760,808</u>
Surplus on revaluation at the end of the year - net of tax		<u>910,658,520</u>	<u>1,248,863,145</u>

The Company revalued its freehold land, leasehold land, buildings on leasehold and freehold land, plant and machinery, electric installations and mill's equipment as on October 23, 2018. Impairment loss has been charged to surplus on revaluation on those assets against which surplus was available. Deferred tax arisen on surplus on revaluation has be adjusted due to financial statements are prepared on liquidation / break-up value basis.

19 SUB-ORDINATED LOAN - unsecured

	Note	2019 Rupees	2018 Rupees
Sub-ordinated loan		<u>423,800,000</u>	<u>423,800,000</u>

This is an interest-free loan obtained from Director of the Company in previous years. This loan is subordinated 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 subject to availability of resources and at discretion of the Company. This loan has been reclassified in equity as per technical release (TR-32) of the Institute of Chartered Accountants of Pakistan (ICAP).

	Note	2019 Rupees	2018 Rupees
20 PAYABLE TO BANKING COMPANIES UNDER SCHEME OF ARRANGMENT			
The Bank of Punjab		404,157,000	400,326,224
National Bank of Pakistan		979,891,000	859,751,480
United Bank Limited		708,071,000	668,317,613
Faysal Bank Limited		322,543,000	332,189,249
Habib Bank Limited		303,142,000	301,302,746
Askari Bank Limited		496,556,000	427,057,894
Bank Alfalah Limited		305,896,000	256,854,910
MCB Bank Limited		483,267,000	474,965,815
Al-Baraka Bank (Pakistan) Limited		418,970,000	394,934,670
Allied Bank Limited		290,000,000	290,000,000
Standard Chartered Bank (Pakistan) Limited		466,691,000	449,542,846
Silk Bank Limited		469,853,000	464,025,926
Habib Metropolitan Bank Limited		253,323,000	245,674,402
Bank Islami Pakistan Limited		418,000,000	418,251,161
Meezan Bank Limited		275,280,000	273,831,015
The Bank of Khyber		324,848,000	324,848,000
Summit Bank Limited		286,854,000	286,854,424
JS Bank Limited		155,000,000	155,354,903
First Women Bank Limited		181,149,000	181,148,500
Pak Libiya Holding Company (Private) Limited		84,509,000	106,993,731
Dubai Islamic Bank Pakistan Limited		75,000,000	75,000,000
Soneri Bank Limited		51,756,000	51,755,994
Orix Leasing Pakistan Limited		22,119,000	206,907,276
First Habib Modarba		17,350,000	6,435,786
		<u>7,794,225,000</u>	<u>7,652,324,566</u>

This represents payable to banking companies under scheme of arrangement as detailed below:

The Company along with its restructuring agent - United Bank Limited and majority of the lending financial institutions has signed a "Scheme of Arrangement" under sections 279 to 283 read with section 285 of the Companies Act, 2017 ("the Act"). The said Scheme has been approved by the Board of the Company on September 10, 2019 and is pending before the Honorable High Court of Sindh for approval for further actions. Under this Scheme, the existing financial obligations / liabilities of the Company towards the secured creditors shall be settled by way of sale of moveable and immovable items of property, plant and equipment ("charged assets") of the Company and payment of the proceeds thereof to the secured creditors as contemplated under this Scheme along with incidental ancillary matters, thereto.

This Scheme, if agreed-upon by the requisite majority of the secured creditors and shareholders of the Company as stipulated in the Act, and sanctioned by the Honorable high court by an order passed in the respect, would be binding on the Company, along with all the shareholders, creditors - secured or otherwise, stakeholders and any other regulatory / statutory bodies of/ or with respects to the Company. The Scheme seeks to record the terms and conditions of a legally binding compromise and arrangement between the secured creditors on one part and the Company and its directors and sponsors on the other part, for ensuring, inter alia, the settlement of the existing liabilities and ancillary measures as mentioned in note 1.2 to these financial statements.

	Note	2019 Rupees	2018 Rupees
21 LOAN FROM ASSOCIATES AND OTHERS			
Gulshan Spinning Mills Limited		6,827,087	6,827,087
Gulistan Spinning Mills Limited		456,097	456,097
Gulistan Power Generation		4,730,279	4,730,279
Interest free loan from other parties - unsecured	21.1	17,164,936	16,876,593
		<u>29,178,399</u>	<u>28,890,056</u>
21.1 Interest free loan from other parties - unsecured			
Balance at begning of the year		16,876,593	15,681,059
Add: funds received during the year		434,073	1,195,534
Less: adjustments/ repayments made during the year		(145,730)	-
		<u>17,164,936</u>	<u>16,876,593</u>
These loans were advanced by spouse of the Chief Executive and his other relatives in order to meet working capital requirements. The repayment terms have not yet been finalized by the parties.			
	Note	2019 Rupees	2018 Rupees
22 POST EMPLOYMENT BENEFITS PAYABLES			
Post employment benefits payables	22.1	<u>130,801,480</u>	<u>130,518,258</u>
22.1 Movement in post employment benefits payable			
Net liability at beginning of the year		130,518,258	130,601,035
Add: charge to profit and loss account		293,223	239,223
Less: benefits paid		(10,001)	(322,000)
		<u>130,801,480</u>	<u>130,518,258</u>
The Company has not hired an actuary to carry out evaluation of its defined benefit obligation for this reporting year.			
	Note	2019 Rupees	2018 Rupees
23 DEFERRED TAXATION - net			
The liability for deferred taxation comprises of timing differences relating to;			
- accelerated tax depreciation - owned assets		-	321,697,528
- surplus on property, plant and equipment		-	263,181,544
- assets subject to finance lease		-	157,152,272
- staff retirement benefits - gratuity		-	(37,850,295)
- provisions and allowances		-	(269,408,870)
- liabilities against assets subject to finance lease		-	(123,753,578)
		<u>-</u>	<u>311,018,601</u>
These financial statements are prepared on liquidation / break-up value basis, hence, deferred tax adjusted.			
	Note	2019 Rupees	2018 Rupees
24 TRADE AND OTHER PAYABLES			
Creditors		85,000	89,629,329
Accrued liabilities		31,549,901	67,876,461
Advances from customers		-	57,239,548
Income tax deducted at source		-	5,929,331
Other payable		31,622,190	31,622,190
		<u>63,257,091</u>	<u>252,296,859</u>

	Note	2019 Rupees	2018 Restated Rupees
25 ACCRUED MARK-UP / INTEREST			
Mark-up/ interest:			
- payables under scheme of arrangement	25.1	2,576,646,000	2,221,246,551
- payables to associated undertaking		-	35,185,905
		<u>2,576,646,000</u>	<u>2,256,432,456</u>

25.1 In previous years, mark-up on long-term loan and short-term borrowings were not recognized due to litigations with those financial institutions. Following agreement of scheme of arrangement between the Company and financial institutions, mark-up related to current period and previous years has been recognized by restatement in statement of changes in equity. The impact of restatement has been summarized as under:

Impact of correction of error as follow;

	2018 Rupees	2017 Rupees
Impact on Statement of Financial Position;		
Increase in accrued mark-up	355,399,448	355,399,448
Increase in accumulated loss	355,399,448	355,399,448
Impact on Statement of Profit or Loss;		
Increase in finance cost	355,399,448	355,399,448
Increase in loss after taxation	355,399,448	355,399,448
Increase in loss per share - basic and diluted	18.72	18.72

26 CONTINGENCIES AND COMMITMENTS

Contingencies

26.1 Litigation with banks and financial institutions

26.1.1 The Company along with its restructuring agent - United Bank Limited and majority of the lending financial institutions has signed a "Scheme of Arrangement" under sections 279 to 283 read with section 285 of the Companies Act, 2017 ("the Act"). The said Scheme has been approved by the Board of the Company on September 10, 2019, and is pending before the Honourable High Court of Sindh for approval. Under this Scheme, the existing financial obligations / liabilities of the Company towards the secured creditors shall be settled by way of sale of moveable and immovable items of property, plant and equipment ("charged assets") of the Company and payment of the proceeds thereof to the secured creditors as contemplated under this Scheme along with incidental ancillary matters, thereto.

On approval of the Scheme from the Honourable High Court of Sindh as detailed in note 11 to these financial statements, all the below-mentioned litigations towards banks and financial institutions will be withdrawn subject to the sale of Sale Assets and Pledged Stock and completion of all relevant formalities, in accordance with the provisions of the Scheme. This Scheme, inter alia, affects the outcome of following litigation by or against the Company with various financial institutions.

26.1.2 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 stock and properties. The aggregate amount of these claims is Rs. 8,812.18 million (2018: Rs. 8,812.18 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 of these cases can not be established to the date of these financial statements. Among all the cases referred above, the most notable cases by or against the Company are explained in the following sub-

- 26.1.3** The Company filed a global suit in the Honorable Lahore High Court (LHC) against all banks / financial institutions under Section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 ("the Ordinance") for redemption / release of security, rendition of accounts, recovery of damages, permanent injunction and ancillary reliefs.

The LHC vide its interim order dated October 25, 2012, ordered not to disturb the present position of current assets and fixed assets of the Company and no coercive action shall be taken against the Company. The LHC through its order dated September 11, 2013, dismissed the case on legal grounds. The Company filed appeal before Divisional Bench of the LHC against the above-mentioned order. The Divisional Bench passed an order, dated November 27, 2013 that respondent banks will not liquidate the Company's assets and operation of impugned judgement and decree dated September 11, 2013, will remain suspended meanwhile.

- 26.1.4** 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 favor 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 Honorable Lahore High Court, and the case is being contested on merits.
- 26.1.5** The Bank Alfalah Limited has filed a suit COS No. 91/2013 before the Honorable 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 Institution (Recovery of Finance) Ordinance, 2001, seeking sale of the goods allegedly pledged in favor of the Bank. The said CMA of 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 16 does not envisage a sale of pledged goods.
- 26.1.6** 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 Honorable Banking Court decreed the suit in favor 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 Honorable Lahore High Court, and the case is still subjudice.
- 26.1.7** Summit Bank Limited filed a suit B-87/2012 against the Company in the Honorable High Court of Sindh for recovery of Rs. 167.00 million under the section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001. The said litigation was dismissed by the Honorable High Court of Sindh due to withdrawal application of the Summit Bank Limited, resulting from out of court settlement/restructuring of the said finances.
- 26.1.8** First Habib Modaraba filed a suit 10/2012 in the Honorable Banking Court No. 1, Karachi against the Company for recovery of lease finances obtained by the Company. The said suit was dismissed upon withdrawal application to file afresh by the First Habib Bank Modaraba on June 19, 2014. The Company has not received any notice indicating the suit has been filed afresh.

26.1.9 Askari Bank Limited filed a suit COS No. 43/2013 against the Company for recovery of finance provided under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 amounting Rs. 483.53 million before the Honorable Lahore High Court. The said suit was decreed on December 12, 2017, against the Company in favor of plaintiff bank. The Company filed an appeal against the said judgment before the Division Bench of the Honorable Lahore High Court.

Additionally, the Bank has also filed execution petition no 11-B/2017, with the single bench of the Honorable Lahore High Court. Both of the said legal proceedings are pending adjudication to the date of these financial statements.

26.1.10 Orix Leasing Pakistan Limited filed a suit 731/2012 with the Honorable Banking Court No. 01, Karachi for the recovery of Rs. 29.484 million under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 against the Company and others. The said suit was decreed against the Company vide judgment dated August 01, 2013, and August 23, 2013, where the Company was made liable, jointly and severally for a sum of Rs. 6.33 million with future rentals till expiry of the lease agreements, and thereafter the cost of funds at the rate prescribed by the State Bank of Pakistan from the date of expiry of the lease agreements till realization, along with the cost of the suit. The execution proceedings under the said decree are initiated vide execution no. 50/2013 and is pending before the Honorable Banking Court No. 01, Karachi. These financial statements do not reflect the impact of the above decision.

The execution proceedings under the said decree are initiated vide execution no. 50/2013 and is pending before the Honorable Banking Court No. 01, Karachi. These financial statements do not reflect the impact of the above decision.

26.1.11 Habib Bank Limited, previously First Habib Bank Modaraba filed a suit 03/2014 against the Company and others before the Honorable Banking Court No. 1, Karachi for recovery of Rs. 1.493 million under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001. The said suit was decreed by the Honorable Banking Court 01, Karachi vide its judgment dated April 21, 2016, and May 11, 2017, against the Company and others for the sum of Rs. 1.35 million with cost of the funds at the latest rate prescribed by the State Bank of Pakistan from the date of expiry of the agreement till realization, along with the cost of the suit. The Company did not file any appeal against the said judgment of the Honorable Banking Court no. 1, Karachi. However, the counter party has not initiated any execution proceedings against the said decree to the date of these financial statements.

26.1.12 Habib Metropolitan Bank Limited filed a suit for recovery of Rs. 304,771,857 against the Company vide COS No. 77/13 before the Honorable Lahore High Court. The said suit was decreed in favor of the bank to the extent of Rs. 109,652,301 via interim decree dated June 16, 2015. However, the Court allowed unconditional leave to defend the balance amount claimed by the bank to the Company because it was covered under LC, FAPC and LC facilities. Hence, suit in respect of the balance amount is pending before the said court for adjudication. The bank filed execution petition no. 108-B/15 for the decreed amount, which is also pending adjudication before the Single Bench of the Honorable Lahore High Court. The Company is contesting both these adjudications through its legal council on merits.

26.2 Litigation with parties other than banks and financial institutions

26.2.1 The Company has not provided for Rs. 28.85 million (2018: 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 Honorable High Court of Sindh. The decision was challenged before a bench of same High Court and stay for collection of cess was allowed.

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

Accordingly, the petition was filed in the Honorable 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.

26.2.2 A petition has been filed in the Honorable 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 Honorable 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 Honorable Supreme Court of Pakistan challenging the ruling of the Honorable High Court of Sindh. In response to the appeal filed by the Company, 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. 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 favorable decision.

26.2.3 Various Income Tax Appeals by the Company are pending for adjudication in the Honorable High Court of Sindh for Tax Year 2009 bearing number ITRA no 130/12, 131/12, 132/12 and 133/12. Likewise, the Federal Board of Revenue has filed an appeal against the Company for the Tax Year 2012, bearing number 215/A-1 against the order of disposal by the Income Tax Appellate Tribunal.

26.2.4 The Honorable 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 fresh 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 Ordinances, 2011, this Gas Infrastructure Development Cess Ordinance, 2014, was also challenged before different high court 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 Ordinances, 2014. Yet again the Gas Infrastructure Development Cess act, 2015, was challenged before the Honorable Lahore High Court as well as before Honorable High Court of Sindh.

The Honorable High Court of Sindh vide its judgment dated October 26, 2017, decreed the suits in favor of the consumer, whereby the Gas infrastructure Development Cess Act, 2016, 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 amount received under the head of Gas Infrastructure Development Cess from 2011, till date.

The matter is till subjudice before the Divisional Bench of the Honorable High Court of Sindh and we are hopeful that the judgment dated October 26, 2017, passed in favor of consumer 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.

Commitments

26.3 Cross corporate guarantees

26.3.1 As at June 30, 2019, the Company has provided bank guarantees aggregating Rs. 28.44 million (2018: Rs. 28.44 million) in favor of the Excise and Taxation Department.

The bank guarantees given by various banks on behalf of the Company to various parties remain intact with the respective banks.

	Note	2019 Rupees	2018 Rupees
27 SALES - NET		-	-
28 COST OF SALES		-	-
29 OPERATING COST			
Opening stock		42,095,398	84,190,796
Cost of goods manufactured	29.1	82,413,751	112,371,522
		124,509,149	196,562,318
Closing stock		(33,676,319)	(42,095,398)
		90,832,830	154,466,920
29.1 Cost of goods manufactured			
Raw material written-off / consumed	29.2	25,445,997	26,561,658
Obsolete store and spares written-off		9,225,400	9,225,398
Obsolete packing material written-off		786,935	786,936
Fuel and power		-	3,645,800
Depreciation	4.2	46,955,419	72,151,730
		82,413,751	112,371,522
29.2 Raw materials written-off / consumed			
Stocks at beginning of the year		127,229,350	153,791,008
Stocks at end of the year	9	(101,783,353)	(127,229,350)
		25,445,997	26,561,658
30 ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		3,997,836	4,041,816
Staff retirement benefits - gratuity		293,223	239,223
Rent, rates and taxes		1,259,460	1,156,590
Printing and stationery		32,516	40,000
Communication		58,587	53,600
Electricity, gas and water		417,027	359,514
Repair and maintenance		-	10,000
Vehicles running and maintenance		381,680	338,060
Advertising		-	11,104
Traveling and conveyance		12,670	28,782
Legal and professional		310,525	34,800
Auditor's remuneration	30.1	610,000	250,000
Depreciation	4.2	1,093,022	1,647,573
Others		610,078	198,720
		9,076,624	8,409,782

	Note	2019 Rupees	2018 Rupees
30.1 Auditor's remuneration			
Annual audit		600,000	240,000
Compliance report on code of corporate governance		10,000	10,000
		<u>610,000</u>	<u>250,000</u>
31 OTHER OPERATING EXPENSES			
Receivable written-off		8,972,814	-
Debtors written-off		40,360,726	-
Loan and advances written-off		227,699	261,537
Impairment loss		880,094,251	-
		<u>929,655,490</u>	<u>261,537</u>
32 OTHER INCOME			
Liabilities written off		218,423,861	-
Reversal of provision for doubtful debts - local		10,132,700	12,928,000
		<u>228,556,561</u>	<u>12,928,000</u>
33 FINANCE COST			
Bank charges		12,105	12,547
Other financial charges		228,772,770	-
Mark-up under scheme of arrangement		355,399,449	355,399,448
		<u>584,184,324</u>	<u>355,411,995</u>
34 TAXATION			
Current	34.1	-	--
Deferred		-	37,198,272
Derecognition of deferred tax liability		9,257,793	-
		<u>9,257,793</u>	<u>37,198,272</u>
34.1			
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.			
		2019	2018
			Restated
35 LOSS PER SHARE - BASIC AND DILUTED			
Loss after taxation (Rupees)		<u>(1,375,934,914)</u>	<u>(468,423,962)</u>
Weighted average number of ordinary shares outstanding during the period (Number)		<u>18,983,899</u>	<u>18,983,899</u>
Loss per share - basic and diluted (Rupees)		<u>(72.48)</u>	<u>(24.67)</u>
There is no dilutive effect on the basic loss per share of the Company.			
	Note	2019 Rupees	2018 Rupees
36 CHANGES IN WORKING CAPITAL			
Decrease / (increase) in current assets:			
Trade debts		12,466,341	20,812,009
Loans and advances		227,699	261,539
Trade deposits and other receivable		250,000	322,000
		<u>12,944,040</u>	<u>21,395,548</u>
Decrease in trade and other payables		<u>(5,801,812)</u>	<u>(10,620,195)</u>
		<u>7,142,228</u>	<u>10,775,353</u>

37 REMUNERATION OF CHIEF EXECUTIVE OFFICER,
DIRECTORS AND EXECUTIVES

Particulars	Directors		Executives	
	2019	2018	2019	2018
	Rupees			
Remuneration	168,000	-	1,686,400	1,686,400
Allowances and perquisites	-	-	843,200	843,200
Post employment benefits	-	-	293,223	210,800
	168,000	-	2,822,823	2,740,400
Number of persons	1	-	3	3

The executives are also provided with Company maintained vehicles as per policy of Company.

	Note	2019 Rupees	2018 Rupees
38 CASH AND CASH EQUIVALENTS			
Cash-in-hand		-	524,002
Balance with banks on;			
- current accounts		6,476	32,240,924
- saving accounts		155	2,482,361
- term-deposit receipt		23,744,497	23,744,497
		23,751,128	58,467,782
		23,751,128	58,991,784

39 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

39.1 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.

39.2 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.

39.3 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.

39.4 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.

39.5 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.

40 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.

40.1 Credit risk,

40.1.1 Exposure to credit risk

Credit risk represents the financial loss that would be recognized at the reporting date, if counter parties fail completely to perform as contracted/fail to discharge an obligation/commitment that it has entered into with the Company. Credit risk mainly arises from long term deposits, trade debts, loans and advances, other receivables and balances with banks. The carrying amounts of financial assets that represent the Company's maximum credit exposure as at the reporting date are as follows:

Note	2019 Rupees	2018 Rupees
Long-term deposits	-	7,956,098
Trade debts	485,000	43,179,367
Trade deposits and other receivable	36,403,073	81,583,932
Bank balances	23,751,128	58,467,782
	<u>60,639,201</u>	<u>191,187,179</u>
40.1.2 Concentration of risk - geographical dispersion customers		
Local debtors	<u>485,000</u>	<u>43,179,367</u>
40.1.3 Concentration of risk - type of customer		
Yarn	485,000	43,179,367
Waste	-	-
	<u>485,000</u>	<u>43,179,367</u>
40.1.4 Ageing of trade debts at the reporting date;		
Past due 0 - 90 days	-	-
Past due 90 days - 1 year	-	-
More than one year	485,000	244,020,914
Gross carrying amount	485,000	244,020,914
Accumulated impairment	-	(200,841,547)
	<u>485,000</u>	<u>43,179,367</u>

Provision has been written-off as these financial statements have been prepared on liquidation/break-up value basis.

40.2 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.

	2019			2018		
	Carrying amount	Due within one year	Due after one year	Carrying amount	Due within one year	Due after one year
Rupees						
Payable under scheme of arrangement	7,794,225,000	7,794,225,000	-	7,652,324,566	7,652,324,566	-
Loan from associates and other parties	29,178,399	29,178,399	-	28,890,056	28,890,056	-
Trade and other payables	63,257,091	63,257,091	-	252,296,859	252,296,859	-
Accrued mark-up / interest	2,576,646,000	2,576,646,000	-	2,256,432,456	2,256,432,456	-
	10,463,306,490	10,463,306,490	-	10,189,943,937	10,189,943,937	-

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

40.3 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 of 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.

40.3.1 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.

At reporting date, the Company is not exposed to currency risk that's why currency risk analysis has not been provided.

40.3.2 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Majority of the interest rate risk of the Company arises from short and long-term borrowings from banks and deposits with banks. However, the Company is not providing for mark-up/interest on its long-term finances, liabilities against assets subject to finance lease and short-term borrowings due to litigation with banks and financial institutions as detailed in note Litigation with banks and financial institutions At the reporting date the profile of the Company's interest bearing financial instruments is as follows:

	2019	2018
	Rupees	Rupees
Fixed rate instruments		
Financial assets	23,744,497	23,744,497
Financial liabilities	-	40,165,000
Variable rate instruments		
Financial assets	155	2,482,574
Financial liabilities	-	6,630,376,715

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

40.4 Fair value of financial assets and liabilities

As at June 30, 2019 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.

	2019 Rupees	2018 Rupees
40.5 Off balance sheet items		
Bank guarantees issued in ordinary course of business	<u>109,156,649</u>	<u>109,156,649</u>

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

40.7 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.

41 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 37. Amounts due from and to related parties are shown under loan from associate and others. Other significant transactions with related parties are as follows:

Name of related party	Relationship	Transactions	2019 Rupees	2018 Rupees
Mr. Naseer Ahmad	Chief Executive	Payment of expenses on behalf of Chief executive	145,730	-
Mrs. Sana Kashif	Family member of Chief Executive	Payment of expenses on behalf of company	434,073	1,195,534

42 CAPACITY AND PRODUCTION

	2019	2018
Number of spindles installed	131,936	131,936
Installed capacity in kilograms after conversion into 20/s counts	Kg. 40,956,000	40,956,000

42.1 The Company has not carried out any operations during the current reporting financial year due to the circumstances disclosed in note 1.2 resulting in cessation of operations.

42.2 Due to non-availability of working capital lines and shortage of funds, the Company had closed its all units since March 31, 2014.

2019
.....Number.....

43 NUMBER OF EMPLOYEES

Number of employees as at June 30,

- permanent

7 8

Average number of employees during the year

- permanent

7 8

44 EVENTS AFTER THE REPORTING DATE

There are no significant adjusting or non adjusting event after the reporting date requiring adjustment or disclosure in financial statements.

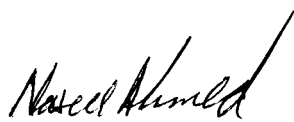
45 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparison and better presentation and. Following major reclassification have been made during the year.

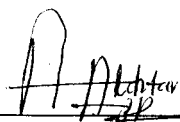
Sr. #	Description	Reclassified from	Reclassified to	2018 Rupees
1	Long-term financing from banking companies	Long-term financing	Payable to banking companies under scheme of arrangement	819,502,757
2	Liabilities against assets subject to finance lease	Liabilities against assets subject to finance lease	Payable to banking companies under scheme of arrangement	426,736,476
3	Running finance - secured	Short-term borrowings	Payable to banking companies under scheme of arrangement	643,506,518
4	Short-term loan - secured	Short-term borrowings	Payable to banking companies under scheme of arrangement	4,780,795,963
5	Bank overdraft	Short-term borrowings	Payable to banking companies under scheme of arrangement	2,764
6	Gulshan Spinning Mills Limited	Trade and other payables	Loan from associates and others	6,827,087
7	Gulistan Spinning Mills Limited	Trade and other payables	Loan from associates and others	456,097
8	Gulistan Power Generation	Trade and other payables	Loan from associates and others	4,730,279
9	Interest free loan from other parties unsecured	Trade and other payables	Loan from associates and others	16,876,593
10	Staff retirement benefits - gratuity	Deferred liabilities	Post employment benefits payables	2,411,606
11	Staff retirement benefits - gratuity due but not paid	Trade and other payables	Post employment benefits payables	128,106,652
12	Deferred taxation	Deferred liabilities	Deferred taxation	311,018,601
13	Creditors	Trade and other payables	Payable to banking companies under scheme of arrangement	784,640,596
14	Foreign bills payable	Trade and other payables	Payable to banking companies under scheme of arrangement.	197,139,491
15	Cost of sales	Cost of sales	Operating cost	154,466,920

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on October 02, 2019 by the Board of Directors of the Company.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GULISTAN TEXTILE MILLS LIMITED
KEY OPERATING & FINANCIAL DATA
FOR THE LAST SIX YEARS

	2019 RUPEES	2018 RUPEES	2017 RUPEES	2016 RUPEES	2015 RUPEES	2014 RUPEES
OPERATING RESULTS						
TOTAL NUMBER OF SPINDLES INSTALLED	131,936	131,936	131,936	131,936	131,936	131,936
AVERAGE NUMBER OF SPINDLES WORKED	-	-	-	-	20,468	46,932
NUMBER OF SHIFTS WORKED PER DAY	-	-	-	-	1 to 3	1 to 3
INSTALLED CAPACITY AFTER CONVERSION INTO 20'S	40,956,000	40,956,000	40,956,000	40,956,000	40,956,000	40,956,000
ACTUAL PRODUCTION AFTER CONVERSION INTO 20'S	-	-	-	-	7,654,715	12,467,423
SALES - NET	-	-	-	7,925,380	359,651,884	1,589,254,582
GROSS PROFIT / (LOSS)	-	-	(186,990,309)	(148,892,013)	(551,162,868)	(649,635,714)
OPERATING PROFIT / (LOSS)	(1,029,564,944)	(163,138,239)	(226,751,063)	(168,559,535)	(658,181,594)	(730,550,665)
OTHER OPERATING (INCOME)	(228,556,561)	(12,928,000)	(25,735,896)	(30,495,380)	(1,148,975)	(799,836,377)
FINANCIAL EXPENSES	584,184,324	355,411,995	7,783	35,713	1,871,228	33,480,336
SHARE OF LOSS/(PROFIT) OF ASSOCIATED COMPANIES	-	-	-	-	-	15,573,498
OTHER CHARGES	-	-	-	-	-	223,770,854
PROFIT/(LOSS) FOR THE YEAR BEFORE TAXATION	(1,385,192,707)	(505,622,234)	(201,022,950)	(138,099,868)	(658,903,847)	(203,538,977)
PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION	(1,375,934,914)	(468,423,962)	(148,483,573)	(95,725,747)	(745,807,474)	(175,259,782)
SHARE FROM ASSOCIATES OF INCREMENTAL DEPRECIATION-NET	-	-	-	-	-	33,105,666
SHARE OF REVALUATION OF PROPERTY, PLANT & EQUIP. REALIZED ON DISPOSAL OF EQUITY INSTRUMENTS	-	-	-	-	-	-
TRANSFER FROM SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT OF INCREMENTAL DEPRECIATION - NET OF TAX	16,270,623	17,469,639	17,701,517	17,933,311	57,142,594	57,895,794
REVALUATION SURPLUS REALIZED	-	-	-	-	-	-
REVERSAL OF REVALUATION SURPLUS ASSOCIATES	-	-	-	-	-	(2,228,266,724)
GAIN ON RE-MEASUREMENTS 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	-
EFFECT OF RECOGNITION OF MARK-UP UNDER SCHEME OF ARRANGEMENT	-	(1,836,335,788)	-	-	-	-
CORRECTION OF ERROR	-	-	-	-	-	(62,842,766)
UNAPPROPRIATED PROFIT C/F	(10,695,782,564)	(9,336,118,273)	(7,048,828,162)	(6,918,046,106)	(6,840,253,670)	(6,161,781,261)
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	(9,018,536,339)	(7,320,667,423)	(6,861,692,165)	(6,151,458,401)	(6,073,665,965)	(5,389,918,462)
LONG TERM LOANS FROM DIRECTORS / RELATED PARTIES	423,800,000	423,800,000	423,800,000	423,800,000	423,800,000	423,800,000
DEFERRED LIABILITIES	-	-	-	552,016,033	597,253,518	1,157,676,873
SHORT TERM BORROWINGS	-	-	-	5,424,305,245	5,424,305,245	5,424,466,776
PAYABLE TO BANKING COMPANIES UNDER SCHEME OF ARRANGEMENT	7,794,225,000	7,652,324,566	7,652,324,566	-	-	-
OTHER LIABILITIES	2,800,183,912	2,980,831,653	2,682,782,153	2,588,552,999	2,639,722,998	2,591,073,662
FIXED ASSETS	6,313,731	3,335,758,595	3,409,557,897	3,485,717,184	3,564,383,844	5,795,845,215
DISPOSAL GROUP UNDER SCHEME OF ARRANGEMENT	1,777,607,362	-	-	-	-	-
LONG TERM INVESTMENTS	-	-	-	-	-	5,275,094
LONG TERM DEPOSITS / DEFERRED COST	-	52,886,957	52,886,957	7,956,098	8,106,098	8,434,628
STOCKS & STORES	135,459,672	179,337,087	258,006,473	368,968,154	441,917,295	809,598,959
DEBTORS	485,000	43,179,367	51,063,376	48,136,205	55,269,422	115,179,182
OTHER ASSETS	79,806,808	125,126,790	125,699,851	192,961,625	226,312,083	237,363,783

Gulistan Textile Mills Limited
Pattern of Shareholding
AS AT JUNE 30, 2019

Number of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
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	545,001	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

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

GULISTAN TEXTILE MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2019

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	
<u>DIRECTORS</u>	
Mr. Naseer Ahmed	5,041,159
Mr. Muhammad Arshad	500
Mr. Zubair Hussain Akhtar	500
Mr. WAQAR AHMAD	500
Mr. Mian khalid Naseem	550
Mr. Zafar Iqbal	500
Mr. Muhammad Arif	501
<u>SPOUSE</u>	
Mrs. Nageen Naseer	2,922,043
D) BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS & MUTUAL FUNDS	
<u>BANKS</u>	
Habib Bank Limited	203
National Bank of Pakistan	374,767
The Bank of Punjab Treasury Division	470,000
<u>INSURANCE</u>	
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)	4,359,200
	<u><u>18,983,890</u></u>
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 _____ 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 and on my/our behalf at the Annual General Meeting of the Company to be held on 24th October 2019 at 11:45a.m and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2019

Signed by the said _____

Witness 1:-

Name:- _____

Address:- _____

CNIC:- _____

Witness 2:-

Name:- _____

Address:- _____

CNIC:- _____

Notes:

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

Appropriate Revenue Stamp

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 _____ کہاتہ 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
_____ کہاتہ 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 _____ کہاتہ نمبر _____ جیسا کہ میری / ہماری پراکسی میں
شرکت کرنے کے لئے، بات کرنے کے لئے اور ووٹ ڈالنے کے لئے 30 مارچ 2019 کو دوپہر
12:30 بجے اور اس کے کسی بھی تعاقب میں منعقد ہونے والی کمپنی کے سالانہ اجلاس میں۔

میرے / ہمارے ہاتھ 2019 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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