



Gulistan Spinning Mills Limited

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E-mail: info@gulistangroup.com.pk, G.N. Comtext: A21PK002



January 22, 2020

Mr. Hafiz Maqsood Munshi

Manager Compliance and Securities compliance,
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road,
Karachi

In Re: **Proposed Delisting Of The Company**

Sir,

This is with reference to your letter No. GEN-216 dated 20.01.2020. In this regard we would like to inform you that the Company was listed on PSX from the last 30 years and has always complied with all the regulatory requirements including Pakistan Stock Exchange and Securities and Exchange Commission Of Pakistan.

The Company was performing well and distributing dividend/bonus regularly. However, due to litigation with Financial Institutions, all the working capital lines were blocked by banks therefore, the operations of the Company gradually stopped and the Company incurred heavy losses and all the payments are stopped. Due to withdrawn of working capital lines by the banks, raw materials were not available to run the operations. The Company is in serious financial crunch and not in a position to pay salaries/wages/creditors.

Majority of banks have agreed on term sheet and the Scheme of Arrangement has been filed before the Honorable Sindh High Court-Karachi for approval of Scheme. After restructuring stock will be released to the Company and Company will be in a position to settle all over dues.

Securities and Exchasnge Commission of Pakistan has dropped the winding up petition against the company vide its letter No.CSD/ARN/197/2015-3054 dated 19-03-2019.(copy of order is attached)

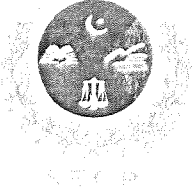
Due to severe financial crunch you are requested to waive off all penalties and charges keeping in mind of previous track record of the Company.

We expect that above will meet your requirements and we expect positive response.

Sincerely,

For Gulistan Spinning Mills limited


Company Secretary



Corporate Supervision Department
Company Law Division

Say No To Corruption

Through TCS

No. CSD/ARN/197/2015 - 30561

March 19, 2019

All the Directors,
Gulistan Spinning Mills Limited
2nd Floor, Finlay House, I.I. Chundrigar Road,
Karachi.

Subject: Order in respect of Show Cause Notice No. CSD/ARN/197/2015-860, dated December 5, 2017 Section 304 read with clause (b) and (c) of Section 301 of the Companies Act 2017

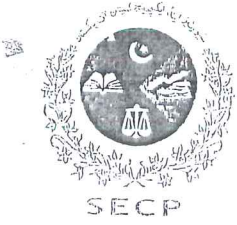
Dear Sir,

Please find enclosed herewith copy of the order dated March 19, 2019 in the titled matter for your record and necessary action.

Regards,

Amir Saleem
Joint Director

Encl.: Copy of Order dated March 19, 2019.



Before Abid Hussain – Executive Director

In the matter of

Gulistan Spinning Mills Limited

Number and date of Show Cause Notice: CSD/ARN/197/2015-860 dated December 05, 2017

Dates of Hearing: December 20, 2017, January 15, 2018, April 04, 2018,
August 20, 2018, October 31, 2018 and February 21, 2019

Authorized Representative: Mr. Abid Amin (Financial Consultant) & Mr. Hamza
Khokhar (Legal Advisor)

ORDER

Under Clause (b) and (c) of Section 301 read with Section 304 of the Companies Act 2017

This Order shall dispose of proceedings initiated in the matter of Show Cause Notice (the "SCN") dated December 5, 2017 under Section 301 read with Section 304 of the Companies Act, 2017 (the "Act") issued to Gulistan Spinning Mills Limited (the "Company") and its board of directors.

2. The facts leading to this case briefly stated are that the Company was incorporated in Pakistan as public limited company under the Companies Ordinance, 1984 (the "Ordinance"). Its shares are listed on Pakistan Stock Exchange Limited. Principal business of the Company is manufacture and sale of yarn. It was observed that the Company failed to hold three consecutive annual general meetings ("AGM") for the year ended June 30, 2015, June 30, 2016 and June 30, 2017 and file statutory reports. In this regard, Company Registration Office (the "CRO"), Karachi approached the Commission for grant of sanction in terms of clause (b) and (c) of section 301 read with clause (b) and (c) of section 304 of the Act to present a petition before the Honorable High Court for winding up of the Company on the above grounds.

3. Concurrent with the issuance of SCN, hearing in the matter was fixed on December 20, 2017. M/s Cornelius, Lane & Mufti, Advocate and Solicitors, vide letter dated December 19, 2017 requested to convene

SECURITIES AND EXCHANGE
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SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

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hearing in first week of January 2018. Hearing was then fixed on January 15, 2018, which was attended by Mr. Abid Amin and Mr. Hamza Khokhar as Authorized Representatives. During the course of the hearing, the Authorized Representatives submitted that audit for the year ended June 30, 2016 is in process and the Company will convene its AGM for the year ended June 30, 2015 by January 31, 2018. Later on, it was noted that the Company convened its AGM for the year ended June 30, 2015 on January 31, 2018. However, the Company failed to convene AGM for the year ended June 30, 2016 and June 30, 2017.

4. To proceed further, hearings were fixed on April 04, 2018, August 20, 2018 and October 31, 2018. It was observed that no one appeared on the said hearing dates. Hearing was then fixed on February 21, 2019, which was attended by Mr. Abid Amin and Mr. Hamza Khokhar as Authorized Representative. During the hearing, the Authorized Representative informed that the Company has convened its overdue AGM for the year ended June 30, 2016 and June 30, 2017 on April 20, 2018 and September 28, 2018 respectively. Later on, the director of the Company vide his letter dated February 28, 2019 reiterated that all the pending AGMs under the directions of SECP have already been held. It is therefore requested to withdraw the notice issued by SECP and even the token penalty may not be imposed due to financial position of the Company.

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

6. In view of the aforesaid, I observe that the Company has rectified the default and convened its overdue AGMs for the year ended June 30, 2015, June 30, 2016 and June 30, 2017 on August 29, 2017, April 20, 2018 and September 28, 2018 respectively. I therefore drop the proceedings initiated against the Company with no further action.

Abid Hussain
Executive Director

Announced:

March 19, 2019

Islamabad