

**THIRD QUARTERLY ACCOUNTS  
FOR THE NINE MONTHS ENDED  
MARCH 31, 2024  
(UN AUDITED)**

**GULISTAN SPINNING MILLS LIMITED**

**GULISTAN SPINNING MILLS LIMITED**  
**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

Mr. Muhammad Akhtar Mirza (Chairman)  
Mr. Sohail Maqsood (Chief Executive)  
Mr. Muhammad Ashraf Khan  
Mrs. Zarqa Asif  
Mr. M. Junaid  
Mr. Abid Sattar  
Mr. Muhammad Arif

**AUDIT COMMITTEE**

Mr. M. Junaid (Chairman)  
Mr. Muhammad Akhtar Mirza  
Mr. Abid Sattar

**HR & REMUNERATION COMMITTEE**

Mr. Muhammad Arif (Chairman)  
Mr. M. Akhtar Mirza  
Mr. Abid Sattar

**CHIEF FINANCIAL OFFICER**

Mr. Salman Ali Riaz

**COMPANY SECRETARY**

Mr. Muhammad Ijaz

**AUDITORS**

M/s. Malik Haroon Shahid Safder & Co.  
Chartered Accountants  
Lahore.

**LEGAL ADVISOR**

Akhter Javed-Advocate

**SHARE REGISTRAR OFFICE**

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

**REGISTERED OFFICE**

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

**REGIONAL OFFICE**

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

**MILLS**

Jumber Khurd Tehsil Chunnian Dist. Kasur

**WEB PRESENCE**

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

# GULISTAN SPINNING MILLS LIMITED

## Director's Report to Shareholders

The Directors of your Company are pleased to present unaudited financial statements of the Company for the Nine Month ended March 31, 2024.

### Financial Results

Operating Indicators	Nine Months Ended 31.03.2024	Nine Months Ended 31.03.2023
	(Rupees)	(Rupees)
Sales	-	-
Gross (loss)/Profit	-	-
Pre Tax (loss)/Profit	(196,970,213)	(1,056,453)
Provision for Taxation	-	-
Earnings/(loss) Per Share	(13.45)	(0.07)

### Overview:

On account of inter alia, financial liquidity scarcity as well as prevailing economic conditions in the country the company ceased carrying out its operations since May 1, 2014 and was incurring significant losses, along with depreciation in value of its assets. In this background a Scheme of Arrangement under section 279 to 283 & 285 of the Companies Act 2017 (Scheme of Arrangement) was submitted before the Sindh High Court at Karachi (the "Court") vide J.C.M. No. 15/19, duly signed by majority of the secured creditors of the company. The Scheme of Arrangement was sanctioned by the Court vide judgment dated 30-10-2023. The Scheme of Arrangement will be implemented in letter and spirit as sanctioned by the Court. As per Scheme of Arrangement all the litigation will be withdrawn by the creditors of the company

### Future Outlook:

The restructuring process is expected to be completed soon, through Scheme of Arrangement and after its implementation, the Company will be in a better position to structure the way forward.

### Acknowledgement :

The Board wishes to place on record its appreciation for the employees, members of the management team for their efforts, commitment and hard work during this tough time.

LAHORE

  
SOHAIL MAQSOOD  
CHIEF EXECUTIVE

# GULISTAN SPINNING MILLS LIMITED

## Condensed interim Balance Sheet (Un-audited)

As at March 31, 2024

Note	(UN-AUDITED)	(AUDITED)
	March 31, 2024	June 30, 2023
----- Rupees -----		
<b>ASSETS</b>		
Property, plant and equipment	1,353,036	1,479,489
Disposal under scheme of arrangement	36,574,357	632,746,300
Long-term investments	23,634,803	23,634,803
Stock in trade	52,379,544	52,379,543
Trade deposits, prepayments and other receivables		-
Tax refunds due from Government	9,411,245	9,411,245
Cash and bank balances	4,590,174	4,618,492
	<b>127,943,159</b>	<b>724,269,872</b>
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised share capital		
15,000,000 (2014: 15,000,000) Ordinary shares of Rs. 10 each	150,000,000	150,000,000
Issued, subscribed and paid up share capital	146,410,000	146,410,000
Reserves	24,983,168	24,983,168
Sub-Ordinate Loan	103,000,000	103,000,000
Surplus on revaluation of property, plant and equipment	-	351,461,447
Unappropriated loss	(1,966,315,324)	(2,120,806,558)
	<b>(1,691,922,156)</b>	<b>(1,494,951,943)</b>
<b>LIABILITIES</b>		
Payable to banking companies under the scheme of arrangement	1,519,590,999	1,919,590,999
Loan from associates and payables	288,291,234	287,432,734
Post employment benefits payable	3,863	3,863
Trade and other payables	11,359,690	11,574,690
Unclaimed Dividend	619,529	619,529
	<b>1,819,865,315</b>	<b>2,219,221,815</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	<b>127,943,159</b>	<b>724,269,872</b>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

  
SOHAIL MAQSOOD  
CHIEF EXECUTIVE

  
ABID SATTAR  
DIRECTOR

# GULISTAN SPINNING MILLS LIMITED

## Condensed interim Profit & Loss Account (Un-audited)

For the Nine Months Ended March 31, 2024

	Quarter ended		Nine months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees -----			
Sales - net	-	-	-	-
Cost of sales	-	-	-	-
<b>Gross loss</b>	-	-	-	-
Administrative expenses	(233,751)	(58,776)	(797,253)	(1,055,328)
Loss on sale of disposal group	35	-	(196,171,943)	-
	(233,716)	(58,776)	(196,969,196)	(1,055,328)
<b>Profit / (Loan) from operations</b>	(233,716)	(58,776)	(196,969,196)	(1,055,328)
Finance cost	(41)	(0)	(1,017)	(1,125)
<b>Profit / (Loss) before taxation</b>	(233,757)	(58,776)	(196,970,213)	(1,056,453)
Taxation	-	-	-	-
<b>Profit / (Loss) after taxation</b>	(233,757)	(58,776)	(196,970,213)	(1,056,453)
<b>Loss per share - basic and diluted</b>	(0.02)	(0.00)	(13.45)	(0.07)

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

  
SOHAIL MAQSOOD

CHIEF EXECUTIVE

  
ABID SATTAR

DIRECTOR

# GULISTAN SPINNING MILLS LIMITED

## Condensed interim Statement of Comprehensive Income (Un-audited)

For the Nine Months Ended March 31, 2024

	Quarter ended		Nine month ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees -----			
Profit / (Loss) after taxation	(233,757)	(58,776)	(196,970,213)	(1,056,453)
Items that may be reclassified to profit and loss account				
Un-realised gain on available for sale investment	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(233,757)</b>	<b>(58,776)</b>	<b>(196,970,213)</b>	<b>(1,056,453)</b>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

  
SOHAIL MAQSOOD  
CHIEF EXECUTIVE

  
ABID SATTAR  
DIRECTOR

# GULISTAN SPINNING MILLS LIMITED


Condensed interim Cash Flow Statement (Un-audited)

For the Nine Months Ended March 31, 2024

	NOTE	March 31, 2024	March 31, 2023
		-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before taxation		(196,970,213)	(1,056,453)
<b>Adjustments for:</b>			
Depreciation		126,453	144,828
Finance cost		1,017	1,125
Loss on sale of fixed assets		196,171,943	-
<b>Cash flows before changes in working capital</b>		<b>(670,800)</b>	<b>(910,500)</b>
Changes in working capital	9	643,500	897,147
<b>Cash generated from operations</b>		<b>(27,300)</b>	<b>(13,353)</b>
Finance cost paid		(1,017)	(1,125)
		(1,017)	(1,125)
<b>Net cash generated from operating activities</b>		<b>(28,317)</b>	<b>(14,478)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of disposal group under scheme of arrangement		400,000,000	-
<b>Net cash generated from / (used in) investing activities</b>		<b>400,000,000</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
paid to banking companies under the scheme of arrangement		(400,000,000)	-
<b>Net cash (used in) / generated from financing activities</b>		<b>(400,000,000)</b>	<b>-</b>
Net increase in cash and cash equivalents		(28,317)	(14,478)
Cash and cash equivalents at beginning of the period		4,618,491	4,473,201
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>4,590,174</b>	<b>4,458,723</b>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

  
SOHAIL MAQSOOD  
CHIEF EXECUTIVE

  
ABID SATTAR  
DIRECTOR

# GULISTAN SPINNING MILLS LIMITED

Condensed interim Statement of Changes in Equity (Un-audited)  
For the Nine Months Ended March 31, 2024

Share Capital	Capital reserve			Revenu reserve	sub-ordinated loan from directors	Total
	Share Premium	other Reserve	Revaluation surplus	Accumulated losses		
----- Rupees -----						
<b>Balance as at 01 July 2022</b>	146,410,000	25,000,000	(16,832)	351,461,447	(2,090,187,525)	103,000,000 (1,464,332,910)
Profit for the year the nine months ended Mar 31,2023	-	-	(1,056,453)	-	-	(1,056,453)
Surplus on revaluation of operating fixed assets realised during the period : - on account of incremental depreciation for the period	-	-	(1,056,453)	-	-	(1,056,453)
<b>Balance as at 31 Mar 2023</b>	<b>146,410,000</b>	<b>25,000,000</b>	<b>(16,832)</b>	<b>350,404,994</b>	<b>(2,090,187,525)</b>	<b>103,000,000 (1,465,389,363)</b>
<b>Balance as at 01 July 2023</b>	146,410,000	25,000,000	(16,832)	351,461,447	(2,120,806,558)	103,000,000 (1,494,951,943)
Total Comprehensive loss for the nine months ended Mar 31,2024	-	-	(196,970,213)	-	-	(196,970,213)
Surplus on revaluation of operating fixed assets realised during the period : - on account of incremental depreciation for the period	-	-	(196,970,213)	-	-	(196,970,213)
<b>Balance as at 31 Mar 2024</b>	<b>146,410,000</b>	<b>25,000,000</b>	<b>(16,832)</b>	<b>154,491,234</b>	<b>(2,120,806,558)</b>	<b>103,000,000 (1,691,922,156)</b>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

  
SOHAIL MAQSOOD  
CHIEF EXECUTIVE



# GULISTAN SPINNING MILLS LIMITED

## Notes to the Condensed interim Financial Information ( Un-audited)

### For the Nine Months Ended March 31, 2024

#### 1 THE COMPANY AND ITS OPERATIONS

1.1 Gulistan Spinning Mills Limited ("the Company") was incorporated in Pakistan on February 25, 1987, under the Companies Ordinance, 1984 (now Companies Act, 2017), as a public limited company and is quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 2nd Floor, Finlay House, I.I. Chundrigar Road, Karachi in the province of Sindh, Pakistan. The principal business of the Company is to manufacture and sale of yarn.

#### 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 have signed a "Scheme of Arrangement" under sections 279 to 283 read with section 285 of the Companies Act, 2017 ("the Act"). The Scheme of Arrangement has been sanctioned by the Hon'ble High Court of Sindh at Karachi vide order dated October 30, 2023, passed in J. C. M. Petition No. 15 of 2019. The Scheme of Arrangement, after its sanction by the Court has become binding on the Company, along with all the shareholders, creditors, stakeholders and any other regulatory / statutory bodies of/ or with respects to the Company. 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 the Scheme of Arrangement along with incidental ancillary matters, thereto. All the pending litigation shall be withdrawn in terms of the Scheme of Arrangement.

#### 2 BASIS OF PREPARATION

##### 2.1 Statement of compliance

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 237 of the Companies Act, 2017. It has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2023.

##### 2.2 Basis of measurement

Due to the Scheme as described in note 1.2 to these financial statements, the directors have determined that the going concern basis of preparation of financial statements is no longer appropriate. Accordingly, these financial statements have been prepared on liquidation/break-up value basis, following the intention of the parties to settle the liabilities through proceeds of disposal of assets of the company as contemplated in the scheme.

#### 3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are same as those applied in the preparation of preceding audited annual financial statements of the Company for the year ended June 30, 2023.

#### 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. Estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates. Estimation and judgements made by the management in the preparation of this condensed interim financial information were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2023.

# GULISTAN SPINNING MILLS LIMITED

## Notes to the Condensed interim Financial Information ( Un-audited) For the Nine Months Ended March 31, 2024

5 PROPERTY, PLANT AND EQUIPMENT		Un-audited March 31, 2024	Audited June 30, 2023
	Note	----- (Rupees) -----	
Operating fixed assets	5.1	1,353,036	1,479,489
Classified as held for sale	5.2	36,574,357	632,746,300
		<u>37,927,393</u>	<u>634,225,789</u>
<b>5.1 Operating fixed assets</b>			
Book value at beginning of the period / year		1,479,489	1,672,566
Depreciation charge for the period / year		(126,453)	(193,077)
Book value at end of the period / year		<u>1,353,036</u>	<u>1,479,489</u>

5.2 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, these assets (note 5.2) have been classified and presented under disposal group under scheme of arrangement.

## 6. PAYABLE TO BANKING COMPANIES UNDER SCHEME OF ARRANGEMENT

Principal payable to banking companies under scheme of arrangements	6.1	1,522,055,000	1,522,055,000
Mark-up / interest payable under scheme of arrangement		397,535,999	397,535,999
Principal paid during the period		(400,000,000)	
		<u>1,519,590,999</u>	<u>1,919,590,999</u>

6.1 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 have signed a “Scheme of Arrangement” under sections 279 to 283 read with section 285 of the Companies Act, 2017 (“the Act”). 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 the Company including property, plant and equipment and payment of the proceeds thereof to the secured creditors as contemplated under the Scheme of arrangement.

## 8 CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

There is no change in the matter detailed in note 20.1.1 to 20.1.5, 20.2.1 to 20.2.3 & 20.3 to the Company's published annual financial statements for the year ended June 30, 2022.

### 8.2 Commitments

There is no change in the matter as detail in note 20.4 to the Company's published annual financial statements for the year ended June 30, 2023

# GULISTAN SPINNING MILLS LIMITED

Notes to the Condensed interim Financial Information ( Un-audited)  
For the Nine Months Ended March 31, 2024

	(Un-audited) Nine months ended	
	March 31, 2024	March 31, 2023
	-----Rupees-----	
<b>9 Movement in working capital</b> (Increase) / decrease in current assets:		
Loan from associates and payables	858,500	900,000
	858,500	900,000
Increase / (decrease) in trade and other payables	(215,000)	(2,853)
	643,500	897,147

## 10 RELATED PARTY TRANSACTIONS

The related parties comprises associated companies, directors and key management personnel. Significant transactions with related parties during the period are as follows:

Name of party	Relationship	Transaction	Amount
Mr. Tanveer Ahmad	Shareholder	Loan received	858,537

## 11 GENERAL

11.1 Figures have been rounded off to the nearest rupee except stated otherwise.

11.2 This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on 25/4/2024.

  
SOHAIL MAQSOOD  
CHIEF EXECUTIVE

  
ABID SATTAR  
DIRECTOR