Gulistan Spinning Mills Limited

Financial Statements

For the Year Ended June 30, 2025

GULISTAN SPINNING MILLS LTD

CONTENTS

GULISTAN SPINNING MILLS LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Muhammad Akhtar Mirza (Chairman) Mr. Sohail Maqsood (Chief Executive) Mr. Muhammad Ashraf Khan Mr. Muhammad Junaid Mrs.Zarqa Asif Mr.Abid Sattar Mr. Muhammad Arif
AUDIT COMMITTEE	Mr. Muhammad Junaid (Chairman) Mr. Muhamamd Akhtar Mirza Mr.Abid Sattar
HR & REMUNERATION COMMITTEE	Mr. Muhammad Arif (Chairman) Mr. Muhamamd Akhtar Mirza Mr.Abid Sattar
CHIEF FINANCIAL OFFICER	Mr. Imran Aslam
COMPANY SECRETARY	Mr.Muhammad Ijaz
AUDITORS	M/s. Malik Haroon Ahmad & 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.
WEB PRESENCE	http://www.gulshan.com.pk/corporate/gulistan.html

Gulistan Spinning Mills Limited

CORPORATE VISION / MISSION STATEMENT

Vision:

We aim to re-built the Company.

Mission:

To become again a quality manufacturer of textile products.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of **Gulistan Spinning Mills Limited** (the "Company") will be held at 2nd Floor Finlay House, I.I. Chundrigar Road, Karachi on **Tuesday 28th October, 2025 at 11:30 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, 2025 together with Directors' and Auditors' Reports thereon.

3- To appoint auditors of the company for the next financial year 2025-2026 and fix their remuneration. The retiring Auditors M/s Malik Haroon Ahmad &Co Chartered Accountants, being eligible, have offered themselves for reappointment as Auditors of the company.

4- To transact any other business with the permission of the Chairman.

By Order of the Board
Muhammad Ijaz
Company Secretary

Lahore:
October 07, 2025

NOTES:

1- The share transfer books of the company will remain closed and no transfer of shares will be accepted for registration from **21st October, 2025 to 28th October, 2025 (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 interested in attending this meeting through video link are requested to register themselves by submitting complete information via registered email to m.ijaz@gulshan.com.pk before the October 22,2025

5- 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.

سالانہ عام اجلاس کا نوٹس

اطلاع دی جاتی ہے کہ گلستان اسپننگ ملز لمیٹڈ ("کمپنی") کا سالانہ اجلاس 2 nd فلور فلٹیے ہاؤس، I.Iچندریگر روڈ، کراچی بروز منگل 28 اکتوبر 2025 کو صبح 11:30 بجے میں منعقد ہوگا، درج ذیل کاروبار کے لیے:

1. کمپنی کی آخری سالانہ جنرل میٹنگ کے منٹس کی تصدیق کرنا.

2. 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو وصول کرنے، ان پر غور کرنے اور اس پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ اپنانے کے لیے.

3. اگلے مالی سال 2026-2025 کے لیے کمپنی کے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا. ریٹائر ہونے والے آڈیٹرز میسرز ملک ہارون احمد اینڈ کمپنی (سابقہ نام ملک ہارون شاہد صفدر اینڈ کمپنی) چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی وجہ سے خود کو کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے لیے پیش کیا ہے.

4. چیئرمین کی اجازت سے کوئی دوسرا کاروبار کرنا.

بورڈ کے حکم سے

محمد اعجاز

لاہور: کمپنی سیکرٹری

07 اکتوبر 2025

نوٹس:

1- کمپنی کی حصص کی منتقلی کی کتابیں بند رہیں گی اور 21 اکتوبر 2025 سے 28 اکتوبر 2025 تک (دونوں دن سمیت) رجسٹریشن کے لیے حصص کی کوئی منتقلی قبول نہیں کی جائے گی.

2- جنرل میٹنگ میں شرکت اور ووٹ دینے کا حقدار ممبر کسی دوسرے ممبر کو تحریری طور پر میٹنگ میں شرکت کرنے اور اپنی طرف سے ووٹ دینے کے لیے پراکسی مقرر کر سکتا ہے. پراکسی کے باضابطہ طور پر مکمل کیے گئے فارم کو کمپنی کے رجسٹرڈ آفس میں میٹنگ کے لیے مقررہ وقت سے 48 گھنٹے پہلے کمپنی کے پاس جمع کرانا چاہیے.

3- سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ شناخت میں سہولت کے لیے میٹنگ کے وقت اپنا شناختی کارڈ اور شریک شناختی کارڈ اور اکاؤنٹ نمبر اپنے ساتھ لائیں. کارپوریٹ ادارے کی صورت میں، میٹنگ کے وقت ایک تصدیق شدہ BOD ریزولیوشن/ نمائندے کے دستخط کے ساتھ درست پاور آف اٹارنی پیش کیا جائے.

4- ویڈیو لنک کے ذریعے اس میٹنگ میں شرکت میں دلچسپی رکھنے والے ممبران سے درخواست ہے کہ وہ 22 اکتوبر 2025 سے پہلے m.ijaz@gulshan.com.pk پر رجسٹرڈ ای میل کے ذریعے مکمل معلومات جمع کر کے خود کو رجسٹر کریں.

5- اراکین سے درخواست ہے کہ وہ اپنے پتے کی تبدیلیوں (اگر کوئی ہیں) کو فوری طور پر ہمارے شیئرز رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کراچی چیمبر، حسرت موہانی روڈ، کراچی کو مطلع کریں.

GULISTAN SPINNING MILLS LIMITED

CHAIRMAN REVIEW

It is my privilege to serve as a chairman of Board of Directors of M/S Gulistan Spinning Mills Limited (the "Company"). I would like to thank our esteemed shareholders for entrusting me for guiding directions of the company.

The Scheme of Arrangement under section 279 of the Companies Act 2017 has been duly sanctioned by the Honorable Sindh High Court at Karachi. The Company is very hopeful that with restructuring and settlement of amounts, the pending issues with financial institutions will be resolved. The liability of the Company will be settled in terms of the Scheme of Arrangement. All pending litigations with banks will be withdrawn as per the Scheme of Arrangement.

ACKNOWLEDGEMENTS

The performance of our Board and the services render by the management and staff of the Company is appreciated.

Muhammad Akhtar Mirza

Lahore: - Oct-06-2025

گلستان سپننگ ملز لمیٹڈ

چیئرمین کا جائزہ

M/ S گلستان اسپننگ ملز لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز کے چیئرمین کے طور پر خدمات انجام دینا میرے لیے اعزاز کی بات ہے۔ میں اپنے معزز شیئر ہولڈرز کا شکریہ ادا کرنا چاہوں گا کہ انہوں نے مجھے کمپنی کی رہنمائی کی ذمہ داری سونپی۔

کمپنیز ایکٹ 2017 کے سیکشن 279 کے تحت ترتیب دینے کی اسکیم کو معزز سندھ ہائی کورٹ کراچی نے باضابطہ منظوری دی ہے۔ کمپنی کو بہت امید ہے کہ تنظیم نو اور رقوم کی تصفیہ کے ساتھ مالیاتی اداروں کے زیر التوا مسائل حل ہو جائیں گے۔ کمپنی کی ذمہ داری سکیم آف ارینجمنٹ کے لحاظ سے طے کی جائے گی۔ بینکوں کے ساتھ زیر التواء تمام قانونی چارہ جوئی کو سکیم آف ارینجمنٹ کے مطابق واپس لے لیا جائے گا۔

اعترافات

ہمارے بورڈ کی کارکردگی اور کمپنی کی انتظامیہ اور عملہ کی طرف سے فراہم کی جانے والی خدمات کو سراہا جاتا ہے۔

محمد اختر مرزا

لاہور: اکتوبر 06-2025

Gulistan Spinning Mills Limited

2nd Floor Finlay House I.I. Chundrigar Road ,
Karachi (Pakistan)

Director's Report

The Directors of your Company are pleased to place their report together with the Auditor's Report and audited Financial Statements of the Company for the year ended June 30, 2025 at the Annual General Meeting of Company.

Overview

On account of various reasons including, financial liquidity scarcity, significant losses along with depreciation in value of assets as well as prevailing economic conditions in the country the company has ceased its operations since May 1, 2014. In this back ground 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 is being implemented in letter and spirit as sanctioned by the Court. As per Scheme of Arrangement all pending litigation with the Banks, both by and against the company, shall be withdrawn by the secured creditors of the company.

Operating & Financial Performance

Operating indicators	2025	2024
	(Rupees)	(Rupees)
Sales	-	-
Cost of goods sold	-	-
Financial cost	(2,051)	(1,098)
Pre tax Loss	(5,936,848)	(186,247,599)
Provision for taxation	-	
Loss after taxation	(5,936,848)	(186,247,599)

Future Outlook

The Scheme of Arrangement shall be implemented and legal proceedings with the Banks by and against the Company shall be withdrawn in terms of the Scheme of Arrangement. There after the Company would be in a better position to structure the way forward.

Auditors' Observations

- The auditor has shown their reservation that they have not received the confirmation directly from the Banks to them as per their normal audit procedure, which is due to pending litigation with banks.
- Trade and others payable include Electric duty and Sindh Infrastructure Development Cess as reported in Note, wherein litigation is pending adjudication before Court of competent jurisdiction.

Corporate Governance

The 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. Sohail Maqsood	4
Mr. Abid Sattar	3
Mr.Muhammad Akhtar Mirza	4
Mr Muhammad Ashraf Khan	3
Mr.Muhammad Junaid	4
Mrs.Zarqa Asif	3
Mr.Muhammad Arif	4

Leaves of absence were granted to the members who could not attend the meetings.

Audit Committees

The Board of Directors of the Company in compliance with the Code of Corporate Governance has established an Audit Committee. Four (4) meetings of the Audit Committee were held and attendance thereof by each member is as follows:

Name of Members	No of meeting attended
Mr.Muhammad.Junaid	4
Mr.Abid Sattar	4
Mr. M.Akhtar Mirza	4

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.
- 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, 2025 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 loss per share of the Company for the period ended June 30, 2025 was Rs.(0.41) as compared to the previous year of Rs.(12.72).

Dividends

Due to circumstances discussed above, the Board of Directors does not recommend dividend for the year ended on June 30, 2025.

Corporate Social Responsibility

The 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 http://www.gulshan.com.pk/corporate/gulistan.html 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, there is no trading in shares of the Company by the Directors, Chief Executive Officer, Cheif Financial Officer, Company Secretary and their spouse and minor children.

Statement on Value of Staff Retirement Benefit

As on June 30, 2025 deferred liability for gratuity is Nil.

Auditors

Messrs Malik Haroon Ahmad & Co., 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 2025-2026.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2025 including the information under the code of corporate of governance is annexed.

The Board 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 who have accepted the Scheme of Arrangement in the meeting held pursuant to the orders of the Sindh High Court.

On behalf of the Board

SOHAIL MAQSOOD
CHIEF EXECUTIVE

MUHAMMAD AKHTAR MIRZA
CHAIRMAN

Sohail.M
Lahore October 06, 2025

گلستان سپننگ ملز لمیٹڈ

شیئر ہولڈرز کو ڈائریکٹر/چیئرمین کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو کمپنی کی سالانہ جنرل میٹنگ میں 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ اور کمپنی کے آڈٹ شدہ مالیاتی بیانات کے ساتھ اپنی رپورٹ پیش کرنے پر خوشی ہے۔

جائزہ

مختلف وجوہات کی بناء پر، مالیاتی لیکویڈیٹی کی کمی کے ساتھ ساتھ اثاثوں کی قدر میں کمی کے ساتھ ساتھ ملک میں موجودہ اقتصادی حالات کے ساتھ ساتھ کمپنی نے یکم مئی 2014 سے اپنا کام بند کر دیا ہے۔ کمپنیز ایکٹ 2017 کی شق 283 اور 285 (اسکیم آف ارینجمنٹ) کراچی ("عدالت") میں جے سی ایم کے ذریعے سندھ ہائی کورٹ میں جمع کرائی گئی۔ نمبر 15/19، کمپنی کے محفوظ قرض دہندگان کی اکثریت کے ذریعہ دستخط شدہ۔ ترتیب کی اسکیم کو عدالت نے 30-10-2023 کے فیصلے کے ذریعے منظور کیا تھا۔ ترتیب کی اسکیم کو عدالت کی طرف سے منظوری کے مطابق عملی جامہ پہنایا جائے گا۔ بندوبست کی اسکیم کے مطابق کمپنی کے قرض دہندگان کے ذریعہ تمام قانونی چارہ جوئی واپس لے لی جائے گی۔

آپریٹنگ اور مالیاتی کارکردگی

Operating indicators	2025	2024
	(Rupees)	(Rupees)
Sales	-	-
Cost of goods sold	-	-
Financial cost	(2,051)	(1,098)
Pre tax Loss	(5,936,848)	(186,247,599)
Provision for taxation	-	
Loss after taxation	(5,936,848)	(186,247,599)

مستقبل کا آوٹ لک

تنظیم نو کا عمل جلد مکمل ہونے کی امید ہے، ایک بار ترتیب کی اسکیم کے نفاذ کے بعد، کمپنی آگے کے راستے کی ساخت کے لیے بہتر پوزیشن میں ہوگی۔

آڈیٹرز کے مشاہدات

آڈیٹر نے اپنی ریزرویشن ظاہر کی ہے کہ انہیں اپنے عام آڈٹ طریقہ کار کے مطابق بینکوں سے براہ راست تصدیق موصول نہیں ہوئی ہے، جس کی وجہ بینکوں کے ساتھ زیر التواء قانونی چارہ جوئی ہے۔

۔ تجارت اور دیگر قابل ادائیگی میں الیکٹرک ڈیوٹی اور سندھ انفراسٹرکچر ڈیولپمنٹ سیس شامل ہیں جیسا کہ نوٹ نمبر 16 میں بتایا گیا ہے، جس میں قانونی چارہ جوئی قابل دائرہ اختیار کی عدالت میں زیر التوا ہے۔

کارپوریٹ گورننس

کمپنی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے قواعد و ضوابط کی تعمیل کر رہی ہے اور مزید سخت چیک اینڈ بیلنس کے ساتھ بہتر اندرونی کنٹرول کی پالیسیوں پر عمل درآمد کر رہی ہے۔

بورڈ کے اجلاس اور حاضری

بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے اور ان میں ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

اجلاس میں شریک ڈائریکٹر کا نام نمبر

جناب سہیل مقصود 4

جناب عابد ستار 3

جناب محمد اختر مرزا 4

مسٹر محمد اشرف خان 3

جناب محمد جنید 4

مسز زرقا آصف 4

جناب محمد عارف 3

اجلاس میں شرکت نہ کرنے والے ارکان کو غیر حاضری کی چھٹی دے دی گئی۔

آڈٹ کمیٹیاں

کمپنی کے بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے ایک آڈٹ کمیٹی قائم کی ہے۔ آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے اور ان میں ہر ممبر کی حاضری حسب ذیل ہے:

اجلاس میں شرکت کرنے والے ممبران کے نام

مسٹر محمد، جنید 4

جناب عابد ستار 4

جناب ایم اختر مرزا 4

HR اور معاوضہ کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل میں کمپنی کے بورڈ آف ڈائریکٹرز نے HR اور معاوضے کی کمیٹی بھی قائم کی ہے۔ اس کے اراکین کے نام کمپنی کی معلومات میں دیے گئے ہیں۔

اندرونی آڈٹ فنکشن

بورڈ نے ایک مضبوط اور موثر اندرونی کنٹرول سسٹم نافذ کیا ہے جس میں کمپنی کے بنیادی مقاصد کو پورا کرنے کے لیے کمپنی کے کاروبار کو کنٹرول شدہ ماحول میں آگے بڑھانے کے لیے آپریشنل، مالیاتی اور تعمیل کنٹرول شامل ہیں۔ اندرونی آڈٹ کے نتائج کا آڈٹ کمیٹی جائزہ لیتی ہے، جہاں ضروری ہو، اندرونی آڈٹ رپورٹس میں موجود سفارشات کی بنیاد پر کارروائی کی جاتی ہے

کارپوریٹ گورننس اور مالیاتی رپورٹنگ فریم ورک

جیسا کہ کارپوریٹ گورننس کے ضابطہ کی ضرورت ہے، ڈائریکٹرز یہ بتاتے ہوئے خوش ہیں کہ:

• کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حقیقی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتے ہیں۔

• کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔

• مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

• مالیاتی گوشواروں کی تیاری میں بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے۔

اندرونی کنٹرول کا نظام درست ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

• کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے جیسا کہ اسٹاک ایکسچینج کے فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

• پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

• ٹیکسز، ڈیوٹی، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو کہ 30 جون 2025 تک بقایا ہیں سوائے ان مالیاتی گوشواروں کے جن کا انکشاف کیا گیا ہے۔

• مالیاتی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان آپ کی کمپنی کی مالی حالت کو متاثر کرنے والی کوئی بھی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں، سوائے مالی بیانات میں ظاہر ہونے والے کے۔

آمدنی/(نقصان) فی شیئر

30 جون 2025 کو ختم ہونے والی مدت کے لیے کمپنی کا فی شیئر نقصان (0.41) روپے تھا۔ پچھلے سال کے مقابلے روپے (12.72) تھا۔

منافع

اوپر بیان کردہ حالات کی وجہ سے، بورڈ آف ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈیویڈنڈ کی سفارش نہیں کرتا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی ذمہ دار کارپوریٹ شہری ہے اور کمیونٹی، ملازمین اور ماحول کے تئیں اپنی ذمہ داری کو پوری طرح سے تسلیم کرتی ہے۔

ویب کی موجودگی

حصص یافتگان اور دیگر کی معلومات کے لیے کمپنی کے سالانہ اور متواتر مالی بیانات کمپنی کی ویب سائٹ http://www.gulshan.com.pk/corporate/gulistan.html پر بھی دستیاب ہیں۔

متعلقہ پارٹی لین دین

متعلقہ فریقوں کے درمیان لین دین آرمز لینتھ قیمتوں پر کیے گئے تھے جن کا تعین "موازنہ بے قابو قیمت کے طریقہ کار" کے مطابق کیا گیا تھا۔ کمپنی نے پاکستان میں اسٹاک ایکسچینج کی فہرست سازی کے ضوابط کے مطابق ٹرانسفر پرائسنگ کے بہترین طریقوں کی مکمل تعمیل کی ہے۔

کمپنی کے حصص میں تجارت

زیر نظر سال کے دوران، ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں کی طرف سے کمپنی کے حصص میں کوئی تجارت نہیں ہوئی۔

اسٹاف ریٹائرمنٹ بینیفٹ کی قدر پر بیان

30 جون 2025 تک گریجویٹی کے لیے موخر ذمہ داری 0 روپے ہے۔

آڈیٹرز

میسرز ملک ہارون احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس اہل ہونے کے باعث دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔ آڈٹ کمیٹی نے اگلے مالی سال 2025-2026 کے لیے کمپنی کے بیرونی آڈیٹرز کے طور پر ان کی تقرری کی بھی سفارش کی ہے

شیئر ہولڈنگ کا نمونہ

30 جون 2025 تک شیئر ہولڈنگ کا پیٹرن جس میں کارپوریٹ اف گورننس کے کوڈ کے تحت معلومات شامل ہیں۔

اعتراف

بورڈ ملازمین، انتظامی ٹیم کے اراکین کو ان کی کاوشوں، عزم اور محنت کے لیے اور ان شیئر ہولڈرز کی تعریف ریکارڈ پر رکھنا چاہتا ہے جنہوں نے سندھ ہائی کورٹ کے حکم کے مطابق منعقدہ میٹنگ میں انتظامات کی اسکیم کو قبول کیا۔

بورڈ کی جانب سے

محمد اختر مرزا

چیئرمین

سہیل مقصود

چیف ایگزیکٹو

لاہور 06 اکتوبر 2025

Gulistan Spinning Mills Limited
2nd Floor , Finlay House , I.I Chundrigarh Road,
Karachi (Pakistan)

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS-2019

Year Ended **June 30, 2025**

The company has complied with the requirements of listed Companies (Code of Corporate Governance) Regulation-2019 (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
Independent Director*	Mr. Muhammad Junaid and Muhammad Arif
Executive Directors	Mr. Sohail Maqsood and Muhammad Ashraf Khan
Non-Executive Directors	Mrs. Zarqa Asif, Mr. Muhammad Akhtar Mirza, Mr.Abid Sattar

* With reference to Regulation 6 (1), in a Board comprising 7 members, one-third works out to 2.33. Since the fraction is below half (i.e. 0.5) the fraction contained in such one-third is not rounded up to one. Further, the two elected independent directors have requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently, hence, appointment of a third independent director is not warranted. Furthermore, the independent directors are not selected from data bank.

2. The directors have confirmed that none of them is serving as a director in more than Seven listed companies, including this Company;

3. 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;

4. 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;

5. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations;

6. 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;

7. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

8. 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;

9. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board;

10. The Board has formed a committees, comprising of members are given below:-

A) Audit Committee

Mr. Muhammad Junaid	Chairman
Mr. Abid Sattar	Member
Mr. Muhammad Akhtar Mirza	Member

B) HR & Remuneration Committee

Mr. Muhammad Arif	Chairman
Mr. Abid Sattar	Member
Mr. Muhammad Akhtar Mirza	Member

11. The term of reference of aforesaid committees have been formed, documented and advised to the committees for compliance;

12. 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.

13. The board has set up an effective internal audit function which is considered suitably qualified, experienced for the purpose and conversant with the policies and procedures of the Company;

14. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, 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 Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not the close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

15. 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.

16. We confirm that all requirements of the regulations 3, 6, 7 ,8, 27, 32, 33 and 36 of the regulations have been complied with, Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

Sr. No.	Mandatory Requirement	Reg. No.	Explanation
1	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	The company has no nomination committee because all its mills' operations have been closed.

Gulistan Spinning Mills Limited
2nd Floor , Finlay House , I.I Chundrigarh Road,
Karachi (Pakistan)

2	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	The company has no risk management committee because all its mills' operations have been closed.
3	It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	19(1)	All mills operations has been closed. The Company may conduct training program before the next election of directors.

On behalf of the board of Directors

Chief Executive Officer
Lahore:- 06.10.2025

Chairman

Independent Auditor's Review Report
To the Members of "Gulistan Spinning Mills Limited"

Review Report on the Statement of Compliance Contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Gulistan Spinning Mills Limited** for the year ended June 30, 2025 in accordance with the requirements of regulation 36 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. 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 draw attention to para 1 and para 16 to the Statement of Compliance, which describe that the Company had not appointed the independent directors from PICG data bank and the reasons for non-compliance with certain non-mandatory requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, respectively. Our conclusion is not modified in respect of this matter.

Based on our review, 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Malik Haroon Ahmad & Co.
Chartered Accountants

Lahore
October 06, 2025
UDIN: CR202510916jNtcR9hxX

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INDEPENDENT AUDITOR'S REPORT
to the Members of Gulistan Spinning Mills Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Gulistan Spinning Mills Limited** (the Company), which comprise the statement of financial position as of **June 30, 2025**, and the statement of profit or loss, the statement of 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 for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2025** and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

1. Due to ongoing litigations with banks, we have not received confirmations from some banks and other financial institutions. Consequently, we were unable to verify bank balances totaling Rs. 4.459 million.
2. We were unable to satisfy ourselves regarding the accuracy of balances payable in respect of trade and other payables amounting to Rs. 11.225 million and unclaimed dividends of Rs. 0.619 million as of June 30, 2025.

Due to the lack of sufficient appropriate audit evidence in the areas mentioned above, we could not determine whether any adjustments might be necessary to these amounts and related disclosures in the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to notes 1.2 and 2.2 of the financial statements, which state that the Company along with its restructuring agent – United Bank Limited, and the 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") and the directors have determined that the going concern basis of preparation is no longer appropriate. Accordingly, the financial statements have been prepared on a liquidation/break-up value basis. Our opinion is not modified in respect of this matter.

Key Audit Matters

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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No	Matter	How the matter was addressed in our audit
1.	**Contingencies and commitments**	
	Refer to note 17 to the financial statements; The Company is currently facing significant litigations pertaining to claims filed by various banks regarding loan facilities, as well as Government authorities concerning outstanding amounts owed. Given the nature and amount involved in such cases and the appellate forums at which these are pending, the outcome and resultant accounting in financial statements are subject to significant judgment, which can change over time as new fact emerged and each legal case progresses, and therefore, we have identified this as a key matter.	Our audit procedures included the following; • Read the scheme of arrangement and ensure that all the litigations as mentioned in the scheme and approved by the banks are properly disclosed in the financial statements. • Read the minutes of the meeting and evaluate whether the provision of the scheme regarding the withdrawal of the filed litigations is still appropriate. • Held discussions with the Company's legal counsel regarding the status of ongoing litigations and reviewed any cases that were withdrawn during the year.

Information Other than the Financial Statements and Auditor's 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 auditor's 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 the requirements of the Companies Act, 2017 (XIX of 2017) and 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 related 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.

The Board of directors is 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 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 on 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 during 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 period 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 reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion, except for the matters stated in Basis for Qualified Opinion above:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account 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 Usher ordinance, 1980 (XVIII 1980).

The engagement partner on the audit resulting in this independent auditor's report is *Muhammad Nawaz.*

MALIK HAROON AHMAD CHARTERED ACCOUNTANTS

Malik Haroon Ahmad & Co.
Chartered Accountants

Lahore
October 06, 2025
UDIN: AR202510916ML65QpuxZ

GULISTAN SPINNING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non - Current Assets			
Fixed assets	5	-	-
Investments	6	-	-
		-	-
Current Assets			
Tax refunds due from Government	7	9,411,245	9,452,426
Cash and bank balances	8	8,527,114	16,772,781
Disposal group under scheme of arrangement	9	36,574,357	36,574,357
		54,512,716	62,799,564
TOTAL ASSETS		54,512,716	62,799,564
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	10	146,410,000	146,410,000
Reserves		24,983,168	24,983,168
Surplus on revaluation		20,315,372	20,315,372
Sub-ordinated loan	11	103,000,000	103,000,000
Accumulated losses		(1,981,844,930)	(1,975,908,082)
Total equity		(1,687,136,390)	(1,681,199,542)
LIABILITIES			
Non - Current Liabilities		-	-
Current Liabilities			
Loan from associates and others	12	285,891,234	288,291,234
Post employment benefits payables	13	-	-
Trade and other payables	14	11,561,690	11,511,690
Unclaimed dividend		619,529	619,529
Principal payable to banking companies as per scheme of arrangement	15	1,046,040,654	1,046,040,654
Mark - up payable to banking companies as per scheme of arrangement	16	397,535,999	397,535,999
		1,741,649,106	1,743,999,106
CONTINGENCIES AND COMMITMENTS	17		
TOTAL EQUITY AND LIABILITIES		54,512,716	62,799,564

The annexed notes from 1 to 29 form an integral part of these financial statements.

MHA & CO

CHIEF EXECUTIVE | **CHIEF FINANCIAL OFFICER** | **DIRECTOR**

GULISTAN SPINNING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Sales		-	-
Cost of sales		-	-
Gross profit		-	-
Operating cost		-	-
Administrative expenses	18	(368,600)	(1,275,156)
Other operating expenses	19	(6,526,640)	(185,245,887)
		(6,895,240)	(186,521,043)
Loss from operations		(6,895,240)	(186,521,043)
Other income	20	1,145,381	274,542
Finance cost	21	(2,051)	(1,098)
Loss before taxation & levies		(5,751,910)	(186,247,599)
Levies		(184,938)	-
Loss before taxation		(5,936,848)	(186,247,599)
Taxation		-	-
Loss after taxation		(5,936,848)	(186,247,599)
Loss per share - basic and diluted	22	(0.41)	(12.72)

The annexed notes from 1 to 29 form an integral part of these financial statements.

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CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

GULISTAN SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

		Capital reserve			Revenue reserve		
	Share capital	Share premium	Other Reserves	Revaluation surplus	Accumulated losses	Sub-ordinated loan from directors	Total
	Rupees						
Balance as at July 01, 2023	146,410,000	25,000,000	(16,832)	351,461,447	(2,120,806,558)	103,000,000	(1,494,951,943)
Loss for the year	-	-	-	-	(186,247,599)	-	(186,247,599)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	(186,247,599)	-	(186,247,599)
Surplus on revaluation of property, plant and equipment realized during the year on account of disposal of revalued assets - net of tax	-	-	-	(331,146,075)	331,146,075	-	-
Balance as at June 30, 2024	146,410,000	25,000,000	(16,832)	20,315,372	(1,975,908,082)	103,000,000	(1,681,199,542)
Loss for the year	-	-	-	-	(5,936,848)	-	(5,936,848)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	(5,936,848)	-	(5,936,848)
Surplus on revalaation of property, plant and equipment realized during the year on account of disposal of revalued assets - net of tax	-	-	-	-	-	-	-
Balance as at June 30, 2025	146,410,000	25,000,000	(16,832)	20,315,372	(1,981,844,930)	103,000,000	(1,687,136,390)

The annexed notes from 1 to 29 form an integral part of these financial statements.

MHA & CO

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

GULISTAN SPINNING MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Loss after taxation		**(5,936,848)**	(186,247,599)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(5,936,848)**	(186,247,599)

The annexed notes from 1 to 29 form an integral part of these financial statements.

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CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

GULISTAN SPINNING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation & levies		(5,751,910)	(186,247,599)
Adjustments for non-cash charges and other items:			
Change in NRV of fixed assets		-	168,606
Finance cost		2,051	1,098
Loss on sale of fixed assets		-	1,310,883
Loss on disposal of fixed assets		-	176,171,943
Profit on profit and loss sharing account		(958,381)	(274,542)
Cash flows before working capital changes		(6,708,240)	(8,869,611)
(Increase) / decrease in assets			
Trade deposits and short-term prepayments		-	-
Sales tax refundable		41,181	(41,181)
Increase / (decrease) in liabilities			
Trade and other payables		50,000	(63,000)
Cash used in operations		(6,617,059)	(8,973,792)
Finance cost paid		(2,051)	(1,098)
Staff retirement benefits paid		-	(3,863)
Levies paid		(184,938)	-
Net cash used in operating activities		(6,804,048)	(8,978,753)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	420,000,000
Interest received from profit or loss sharing account		958,381	274,542
Net cash flows generated from investing activities		958,381	420,274,542
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against loan from associates and other parties		(2,400,000)	858,500
Payment to banking companies against scheme of arrangement		-	(400,000,000)
Repayment of short-term financing - net		-	-
Net cash (used in) / generated from financing activities		(2,400,000)	(399,141,500)
Net decrease in cash and cash equivalents during the year		(8,245,667)	12,154,289
Cash and cash equivalents at the beginning of year		16,772,781	4,618,492
Cash and cash equivalents at the end of year		8,527,114	16,772,781

The annexed notes from 1 to 29 form an integral part of these financial statements.

MHA & CO

CHIEF EXECUTIVE　　　CHIEF FINANCIAL OFFICER　　　DIRECTOR

Notes

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Gulistan Spinning Mills Limited ("the Company") was incorporated in Pakistan on February 25, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public limited company and quoted on stock exchanges at Karachi and Lahore (now Pakistan Stock Exchange Limited).

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

Manufacturing units and offices	Address
Registered office	2nd Floor, Finlay House, II Chundrigar Road, Karachi.
Regional office	2nd Floor, Garden Heights, New Garden Town, Lahore.

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"). 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 charged assets of the Company as detailed in the scheme and payment of the proceeds thereof to the secured creditors as contemplated under the scheme of arrangement. The Scheme of Arrangement has been sanctioned by the Honorable High Court of Sindh at Karachi vide Judgment dated 30.10.2023, passed in J.C.M. Petition No. 15/2019. The Scheme of Arrangement after its sanction has become binding on the Company, along with all the shareholders, creditors - secured or otherwise, stakeholders and any other regulatory / statutory bodies of/ or with respect to the Company . Under the Scheme of Arrangement, the existing financial obligations / liabilities of the Company towards the secured creditors shall be settled by way of sale of charged assets ("disposal group and stock in trade") the Company and payment of the proceeds thereof shall be paid to the secured creditors as contemplated under the Scheme of Arrangement. All the pending litigation shall be withdrawn in terms of the Scheme of Arrangement.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with financial reporting 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 including accounting standard on "Non Going Concern Basis of Accounting", 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 is no longer appropriate. Accordingly, the financial statements have been prepared on non going concern basis of accounting.

Under the non-going concern basis of accounting, assets are measured at their net realizable value, being the estimated amount expected to be realized from their sale, less costs to sell. Liabilities are measured at the amounts expected to be settled, considering the terms of settlement.

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Notes

2.3 Transition from other guidance on non going concern basis of accounting to accounting standard "Non Going Concern Basis of Accounting"

During the year, the Company adopted the accounting standard on "Non-Going Concern Basis of Accounting", replacing the earlier guidance applied in prior years. The transition is applied retrospectively; however, it has not resulted in any material adjustments.

The transition has resulted in following key changes in comparatives:

- **Fixed Assets:** Previously depreciated with depreciation charged to profit or loss. Management believed that the carrying value of these assets was not materially different from their net realizable value. Under the new standard, fixed assets are no longer depreciated; instead, changes in their net realizable value are recognized in profit or loss.
- **Classification:** Previously, all assets and liabilities were designated as current. On adoption of the new standard, assets and liabilities are classified as current only if they meet the definition of current, and accordingly, certain items have been reclassified from current to non-current.

2.4 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All financial information presented in Pak Rupee has been rounded-off to the nearest Rupee except stated otherwise.

3 STANDARDS, AMENDMENTS AND IMPROVEMENTS APPLICABLE TO FINANCIAL STATEMENTS

New standards, amendments and improvements which are effective during the year and standards, amendments and improvements which are not yet effective

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2024 but, pursuant to paragraphs 2.2, above are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these financial statements. The standards, amends and improvements which are not yet effective are also not considered relevant and accordingly are not detailed in these financial statements.

4 MATERIAL ACCOUNTING POLICIES

4.1 Fixed Assets

Fixed assets are stated at their net realizable value, being the estimated amount expected to be realized from their sale, less costs to sell. No depreciation is charged. Changes in net realizable value are recognized in the statement of profit or loss. Addition in and disposal from fixed asset is accounted for in accordance with International Financial Reporting Standards.

4.2 Investments in equity instruments of associated companies

Investments in associated companies are measured at net realizable value, representing the estimated amount recoverable from disposal or realization. Any change in value is recognized in profit or loss.

4.3 Trade & Other receivables

Trade and other receivables are stated at their expected realizable value, after making provisions for expected credit loss where recovery is uncertain.

4.4 Short term investments

Short-term investments are carried at their net realizable value as at the reporting date. Gains or losses arising from changes in realizable value are recognized in profit or loss.

4.5 Tax Refund Due from Government

Tax refunds due from the government are carried at amounts considered recoverable, based on management's assessment of claims and related correspondence with tax authorities.

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Notes

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at face value. For the purpose of cash flow statement, cash and cash equivalents comprise of cash-in-hand and balances with banks.

4.7 Staff retirement benefits - gratuity

Post-employment benefit obligations are recognized at the amount payable to employees under the Company's gratuity schemes. The balance of gratuity liability at the reporting date represents the residual obligation under the discontinued scheme, which will be settled in once fund are available to Company. No new service cost, interest cost, or re-measurements are recognized subsequent to the discontinuation of the scheme.

4.8 Trade & Other payables

Trade and other payables are carried at the amounts expected to be settled, considering contractual terms and conditions.

4.9 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 tax is recognized on the basis of taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred

No deferred tax is recognized, as the Company is no longer a going concern and the realization of deferred tax assets and settlement of deferred tax liabilities is not considered probable.

4.10 Provisions, contingent assets and contingent liabilities

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 of the amount can be made. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is considered remote.

Contingent assets are not recognized in the financial statements. However, they are disclosed where the inflow of economic benefits is considered probable.

4.11 Financial assets and liabilities

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

4.12 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.

4.13 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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Notes

4.14 Related party transactions

All related party transactions are carried out at mutually agreed terms. Transactions that are not at arm's length or lack clear commercial substance are undertaken with the approval of the Board of Directors.

4.15 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) Determination of the net realizable value of assets and costs to sell.

(ii) Estimation of amounts of liabilities expected to be settled.

(iii) Provisions for current tax and recognition of refunds due from government.

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5 FIXED ASSETS

5.1

Particulars	Office equipment	Furniture & fixture	Vehicles	Total
	2025			
Opening NRV July 01, 2024	-	-	-	-
Addition during the year	-	-	-	-
Disposals/Transfer during the year	-	-	-	-
Change in NRV	-	-	-	-
Closing NRV June 30, 2025	-	-	-	-

Particulars	Office equipment	Furniture & fixture	Vehicles	Total
	2024			
Opening NRV July 01, 2023	830,531	442,390	206,568	1,479,489
Addition during the year	-	-	-	-
Disposals/Transfer during the year	(747,478)	(398,151)	(165,254)	(1,310,883)
Change in NRV	(83,053)	(44,239)	(41,314)	(168,606)
Closing NRV June 30, 2024	-	-	-	-

5.2 Change in NRV is charged to administrative expenses.

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	Note	2025 Rupees	2024 Rupees
6 INVESTMENTS			
Investment in associate	6.1	-	-
Other investments in equity shares	6.2	-	-
		-	-

6.1 Investments in associates

The Company holds 10,303 share of Rs. 10 each (0.046% of total share capital) of Gulshan Spinning Mills Limited (an associate). The cost of these share was Rs. 238,887. The market value and recoverable amount of this investment has been calculated as Rs. Nil (2024: Rs. Nil) per share aggregating to Rs. Nil (2024: Rs. Nil) after considering the estimated future cash flows expected to be generated by the associate.

6.1.1 Summarized financial information of the associated company as at June 30, based on audited financial statements is as follows;

Gulshan Spinning Mills Limited	2025	2024
Liabilities	3,170,045,855	3,161,750,834
Assets	201,216,016	200,946,045
Revenue	-	-
Loss after tax	(8,025,050)	(13,918,817)

6.2 Other investments in equity shares

This represents the investments in equity shares of:	Number of share of Rs. 10 each	
- Gulistan Textile Mills Limited	1,049	1,049
- Gulshan Weaving Mills Limited	778,900	778,900

Due the closure of business of both the entities the fair values of both the investments have been reduced to Rs. nil and hence fully charged off.

	Note	2025 Rupees	2024 Rupees
7 TAX REFUNDS DUE FROM GOVERNMENT			
Advance income tax		-	-
Sales tax		9,411,245	9,452,426
		9,411,245	9,452,426
8 CASH AND BANK BALANCES			
Cash-in-hand		3,983,234	306,234
Balances with banks - current accounts		179,151	12,101,818
Balances with banks - saving accounts		2,359	2,359
Term deposits	8.2	4,362,370	4,362,370
		8,527,114	16,772,781

8.1 Majority of the Company's bank accounts operations have been blocked by the respective banks due to on-going litigations with these banks as detailed in note 17.1 to the financial statements except two banks.

8.2 These are under lien with respect to guarantees provided on behalf of the company by various financial institutions.

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	Note	2025 Rupees	2024 Rupees

9 DISPOSAL GROUP UNDER SCHEME OF ARRANGEMENT

	2025	2024
Freehold land	**36,574,357**	36,574,357
Impairment	-	-
	36,574,357	36,574,357

9.1 Particulars of immovable fixed assets are as follows:

Particulars	Address	Area of land (Kanals)	
Land	Near Qutabpur Saddat Chwok, Vehari.	34.35	34.35

10 SHARE CAPITAL

Numbers 2025	Numbers 2024		Rupees 2025	Rupees 2024
		Authorized capital		
15,000,000	15,000,000	Ordinary shares of Rs. 10 each	**150,000,000**	150,000,000
		Issued, subscribed and paid-up capital		
6,838,330	6,838,330	Ordinary shares of Rs. 10 each issued as fully paid in cash	**68,383,300**	68,383,300
7,802,670	7,802,670	Ordinary shares of Rs. 10 each issued as fully bonus shares	**78,026,700**	78,026,700
14,641,000	14,641,000		**146,410,000**	146,410,000

10.1 Ordinary shares held by the related party at the year end:

	2025	2024
Paramount Spinning Mills Limited	-	202,777

	2025	2024
11 SUB-ORDINATED LOAN - unsecured	**103,000,000**	103,000,000

This is an interest-free loan obtained from Ex-Director of the Company in previous years. This loan is sub-ordinated to the finances provided by secured creditors. 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 classified in equity as per technical release 'Accounting Directors' Loan (TR-32) of the Institute of Chartered Accountants of Pakistan (ICAP).

12 LOAN FROM ASSOCIATES AND OTHERS

	Note	2025	2024
Gulistan Fibers Limited	12.1	**74,818,341**	74,818,341
Gulshan Weaving Mills Limited	12.2	**14,999,930**	14,999,930
Interest free loan from other parties - unsecured	12.3	**196,072,963**	198,472,963
		285,891,234	288,291,234

12.1 This loan was created in accordance with the settlement agreement and agreement to sell dated December 30, 2013, executed between Silk Bank Limited (the Lender), Gulshan Spinning Mills Limited (an associated company), Paramount Spinning Mills Limited (an associated company),Gulistan Fibers Limited (an associated company) and the Company. As per these agreements, short term borrowings and outstanding bills payables aggregating Rs. 99.00 million of the Company have been adjusted by the Lender against mortgaged property of the Gulistan Fibers Limited, under the debt-property swap arrangement. Accordingly, the Company has booked this loan as payable to Gulistan Fibers Limited by adjusting its short-term borrowings and bills payable.

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	Note	2025 Rupees	2024 Rupees

This loan is unsecured and carries mark-up at the half percent above the borrowing cost of the lending company. The said loan is classified as short-term on account of non-payment with the agreed period of time due to non-availability of funds and the Company did not charge interest on the same as well.

12.2 The said loan is classified as short-term on account of non-payment with the agreed period of time due to non-availability of funds.

12.3 These loans were advanced by the share holders of the company in order to finance working capital requirements. The loan is repayable on demand.

13 POST EMPLOYMENT BENEFITS PAYABLES

	Note	2025 Rupees	2024 Rupees
Post employment benefits payables	13.1	-	-

13.1 Movement in post employment benefits payable

		2025 Rupees	2024 Rupees
Net liability at beginning of the year		-	3,863
Add: charge to profit and loss account		-	-
Less: benefits paid		-	(3,863)
Net liability at end of the year		-	-

14 TRADE AND OTHER PAYABLES

	Note	2025 Rupees	2024 Rupees
Creditors		-	-
Accrued liabilities	14.1	3,092,306	3,042,306
Sindh intrastructure development cess payable		8,469,384	8,469,384
		11,561,690	11,511,690

14.1 Accrued liabilities includes the amount of Electric duty payable amounting to Rs. 1,906,625 (2024: Rs. 1,906,625). The Company has obtained stay order from the Honorable Lahore High Court against the payment of electric duty to LESCO as detailed in note 19.2.2.

15 PRINCIPAL PAYABLE TO BANKING COMPANIES AS PER SCHEME OF ARRANGEMENT

	2025 Rupees	2024 Rupees
United Bank Limited	28,184,000	28,184,000
Faysal Bank Limited	128,420,000	128,420,000
Habib Bank Limited	47,123,000	47,123,000
Askari Bank Limited	151,397,000	151,397,000
Bank Alfalah Limited	161,359,000	161,359,000
MCB Bank Limited	70,911,000	70,911,000
Al-Baraka Bank Limited	153,610,000	153,610,000
Habib Metropolitan Bank Limited	48,079,000	48,079,000
Bank Island Pakistan Limited	17,000,000	17,000,000
Pair Investment Company Limited	350,000,000	350,000,000
The Bank of Punjab	148,058,000	148,058,000
National Bank of Pakistan	167,914,000	167,914,000
First National Bank Modaraba	50,000,000	50,000,000
Repayment under scheme of arrangement	(476,014,346)	(476,014,346)
	1,046,040,654	1,046,040,654

15.1 This represents payable to banking companies under scheme of arrangement as detailed in note 1.2 of these financial statements.

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	Note	2025	2024
		Rupees	Rupees

16 MARK-UP PAYABLE UNDER SCHEME OF ARRANGEMENT

Due to the scheme of arrangement as detailed in note 1.2 no further provision with respect to mark up payable is made in these financials since 2019.

17 CONTINGENCIES AND COMMITMENTS

Contingencies

17.1 Litigation with banks and financial institutions

The Scheme of Arrangement has been sanctioned by the Honorable High Court of Sindh as detailed in note 1.2 to these financial statements . All the litigation by and against the Company with Financial Institution including the below-mentioned litigation will be withdrawn subject to the sale of Assets and Charged Stocks and completion of all relevant formalities, in accordance with the provisions of the Scheme.

17.1.1 The Company filed a suit in the Honorable Lahore High Court (LHC) against its all secured creditors / 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. The Appeal filed by the company was allowed vide order dated 04.11.2020, whereby the case was remanded to the learned single judge to decide the application for leave to defend.

17.1.2 The Bank of Punjab has filed a suit COS No. 50/ 2013 for recovery of Rs. 168.426 million on account of working capital facilities provided to the Company. The company filed PLA No. 148-B/2013, in response to the summons issued by the Honorable Lahore High Court. . The Honorable Lahore High Court dismissed the application and decreed in favor of the plaintiff bank to the extent of Rs. 159.286 million. The Company has filed appeal in the division bench of the Honorable Lahore High Court, and the case is being contested on merits.

17.1.3 Askari Bank Limited has filed a suit COS No. 40/2013 for recovery of Rs. 148.25 million. The Company filed PLA No. 105-B/2013, in response to the summon issued by the Honorable Lahore High Court. The court dismissed the application for leave to defend. The Honorable Banking Court decreed in favor of Plaintiff Bank, together with the costs of funds as contemplated by section 3 of above mentioned Ordinance. The Company has filed appeal in the Division Bench of the Honorable Lahore High Court, and the appeal is still subjudice.

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	Note	2025	2024
		Rupees	Rupees

17.1.4 First National Bank Modarba has filed a suit against the Company for recovery of Rs. 51.842 million. The said suit was decreed vide judgment dated August 01, 2017 against the Company and the same was converted into execution proceedings by the court under section 19 of Financial Institutions (Recovery of Finances) Ordinance, 2001. First National Bank Modaraba has filed an Execution petition which is now pending adjudication before the Banking Court No. 1, Lahore, where in the company has filed an objection petition. This case is also being vigorously and diligently contested by the Company. However, the case was adjourned sine die vide order dated 24.06.2022.

17.2 Litigation with parties other than banks and financial institutions

17.2.1 The company has not provided for Rs. 6.8 million (2024: Rs. 6.8 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 Sindh High Court. 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 came into existence which was not subject matter in the appeal, therefore, the decision thereon be first obtained from the High Court 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 where by bank guarantees furnished for consignments cleared upto 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. This petition was disposed off in terms of the consolidated judgment dated June 04, 2021. The Company challenged the impugned order dated June 04, 2021 before the honorable Supreme Court of Pakistan wherein the operation of the impugned judgement of Sindh High Court and recovery of the levy was suspended by the court.

17.2.2 The company has obtained stay order from Honorable Lahore High Court against the payment of electric duty to LESCO. However, an amount of Rs. 1,906,625/- (2024: Rs. 1,906,625/-) had been provided in the accounts on account of electric duty.

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	Note	2025 Rupees	2024 Rupees

17.2.3 The Company has filed a suit bearing # 1167/18 before the Honorable High Court of Sindh, wherein, stay has been confirmed vide order dated March 03, 2017. The Honorable Supreme Court of Pakistan in its judgment dated August 13, 2020, passed in Civil Appeals No. 1113 to 1155 of 2017 etc. was pleased to waive off the Late Payment Surcharge and to recover GIDC in 24 equal monthly installments after making proper calculations. However, in the light of the Judgment dated August 13,.2020, read with Sub-section 2 of Section 8 of the GIDC Act 2015, SNGPL is not entitled to recover GIDC from the Company as the company has not collected the GIDC from its clients / customers and even not passed on to its clients / customers. Accordingly, the Company has filed a suit before Sindh High Court at Karachi wherein the honorable court was pleased to give stay order on GIDC. The Company has not paid GIDC to SNGPL during the period when injunctive orders were in field and the reported judgment of the Hon'ble Supreme Court of Pakistan in the case of Federation of Pakistan vs Durrani Ceramics & Others 2014 SCMR 1630. The Company has also instituted a suit for recovery against SNGPL for recovery of excess amount paid on account of GIDC and tariff difference which pending adjudication before Gas Utility Court, Lahore. The suit was adjourned sine die vide order dated 18.03.23 on account of the suit pending adujudication before the Sindh High Court.

17.3 Other contingencies

17.3.1 Bank guarantees issued on behalf of the company;

	2025	2024
Sui Northern Gas Pipelines Limited	19,862,200	19,862,200
Director of Excise and Taxation	8,957,572	8,957,572
	28,819,772	28,819,772

Various other bank guarantees are also given by banks on behalf of the company to various parties.

17.4 Commitments

There is no capital commitment as at June 30, 2025 (2024: Nil).

18 ADMINISTRATIVE EXPENSES

	Note	2025	2024
Advertising		20,000	88,300
Fee and subscriptions		-	677,000
Auditor's remuneration	18.1	348,600	341,250
Change in NRV of fixed assets	5.2	-	168,606
		368,600	1,275,156

18.1 Auditor's remuneration

	2025	2024
Annual audit	250,000	250,000
Half yearly review	85,000	78,750
Compliance report on Code of Corporate Governance	13,600	12,500
	348,600	341,250

19 OTHER OPERATING EXPENSES

	2025	2024
Loss on sale of disposal group under scheme of arrangement	-	176,171,943
Loss on sale of fixed assets	-	1,310,883
Payment against liabilities previously written off	6,526,640	7,763,061
	6,526,640	185,245,887

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		Note	2025 Rupees	2024 Rupees
20	**OTHER INCOME**			
	Profit on profit and loss sharing account		958,381	274,542
	Bad debt recovery income		187,000	-
			1,145,381	274,542
21	**FINANCE COST**			
	Bank charges		2,051	1,098
22	**LOSS PER SHARE - BASIC AND DILUTED**			
	Loss after taxation		(5,936,848)	(186,247,599)
			------ Number of shares -----	
	Weighted average number of ordinary shares outstanding		14,641,000	14,641,000
	Loss per share - basic and diluted		(0.405)	(12.721)

There is no dilutive effect on the basic loss per share of the Company.

23 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

No remuneration was paid to chief executive officer and directors. Number of executives of the company are Nil (2024:Nil).

24 FINANCIAL INSTUMENTS BY CATEGORY

	2025 Rupees	2024 Rupees
Financial assets - amortized cost		
Investments	-	-
Cash and bank balances	8,527,114	16,772,781
	8,527,114	16,772,781
Financial liabilities - amortized cost		
Loan from associates and others	285,891,234	288,291,234
Trade and other payables	11,561,690	11,511,690
Unclaimed dividend	619,529	619,529
Principal payable as per scheme of arrangement	1,046,040,654	1,046,040,654
Mark - up payable as per scheme of arrangement	397,535,999	397,535,999
	1,741,649,106	1,743,999,106

24.1 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.

24.2 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.

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	Note	2025	2024
		Rupees	Rupees

24.3 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.

24.4 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.

24.5 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.

25 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company may have exposures to credit risk, liquidity risk and market risk from its use of financial instruments.

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.

25.1 Credit risk

25.1.1 Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the long-term deposits, trade debts, trade deposits and other receivable, accrued mark-up and cash and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

Bank balances		4,543,880	16,466,547

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	Note	2025	2024
		Rupees	Rupees

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating agency	Rating	
		Short term	Long term
Habib Bank Limited	JCR-VIS	A1+	AAA
Standard Chartered Bank Ltd.	PACRA	A1+	AAA
Bank Al Habib Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Habib Metropolitan Bank Ltd.	PACRA	A1+	AA+
Sindh Bank Limited	VIS	A1+	AA-
Allied Bank Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA

25.2 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.

	2025			2024		
	Carrying amount	Due within one year	Due after one year	Carrying amount	Due within one year	Due after one year
	Rupees					
Loan from associates and other parties	285,891,234	285,891,234	-	288,291,234	288,291,234	-
Trade and other payables	11,561,690	11,561,690	-	11,511,690	11,511,690	-
Principal payable as per scheme of arrangement	1,046,040,654	1,046,040,654	-	1,046,040,654	1,046,040,654	-
Mark - up payable as per scheme of arrangement	397,535,999	397,535,999	-	397,535,999	397,535,999	-
	1,741,029,577	1,741,029,577	-	1,743,379,577	1,743,379,577	-

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.

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	Note	2025	2024
		Rupees	Rupees

25.3 Market risk

Market risk is the risk that the value of the financial instruments may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

(a) 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.

(b) 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 borrowings from banks and deposits with banks. However, the Company is not providing for mark-up/interest on its borrowings and liabilities due to litigation with banks and financial institutions as detailed in note 19.1.1 At the reporting date the profile of the Company's interest bearing financial instruments is as follows:

	2025	2024
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Variable rate instruments		
Financial assets	4,364,729	4,364,729
Financial liabilities	-	-

25.4 Off balance sheet items

	2025	2024
Bank guarantees issued in ordinary course of business	28,819,772	28,819,772

25.5 Capital risk management

There was no change in the Company's approach to capital management during the year. Further, the Company is not subject to externally imposed to 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.

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GULISTAN SPINNING MILLS LIMITED

KEY OPERATIONG & FINANCIAL DATA
FOR THE LAST SIX YEAR

	2025 RUPEES	2024 RUPEES	2023 RUPEES	2022 RUPEES	2021 RUPEES	2020 RUPEES
OPERATING RESULTS						
Turnover	-	-	-	-	-	-
Gross Profit / (Loss)	-	-	-	-	-	-
Operating Expenses	(6,895,240)	(186,521,043)	(30,952,327)	(2,758,094)	(1,854,156)	(926,245)
Operating Profit / (Loss)	(6,896,240)	(186,521,043)	(30,952,327)	(2,758,094)	(1,854,156)	(46,102,165)
Other Income	1,145,381	274,542	334,500	-	1,921,934	1,583,368
Financial & Other Charges	(2,051)	(1,098)	(1,206)	(3,852)	(81)	(2,144)
Other Charges	(184,938)	-	-	-	-	-
Profit / (Loss) for the year before taxation	(5,936,848)	(186,247,599)	(30,619,033)	(2,761,946)	67,697	(44,520,941)
Profit / (Loss) for the year after taxation	(5,936,848)	(186,247,599)	(30,619,033)	(2,761,946)	67,697	(44,520,941)
APPROPRIATION						
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil
Unappropriated Loss Carried Forward	(1,981,136,350)	(1,975,908,082)	(2,120,806,558)	(2,090,187,526)	(2,087,425,579)	(2,087,493,276)
FINANCIAL POSITION						
Paid up Capital	146,410,000	146,410,000	146,410,000	146,410,000	146,410,000	146,410,000
Share Holder Equity	(1,790,136,390)	(1,784,199,542)	(1,597,951,943)	(1,567,332,910)	(1,564,570,964)	(1,564,638,661)
Long Term Loans	103,000,000	103,000,000	103,000,000	103,000,000	103,000,000	103,000,000
Obligation under Finance Leases	-	-	-	-	-	-
Deferred Liabilities	-	-	3,863	3,863	43,863	425,451
Current Liabilities	1,741,649,106	1,743,999,106	2,219,217,952	2,216,411,952	2,213,821,452	2,213,548,952
Fixed Assets	-	-	1,479,489	1,672,566	1,894,570	2,149,905
Disposal group under scheme of arrangm	36,574,357	36,574,357	632,746,300	660,366,450	660,366,450	660,366,450
Long term Investments	-	-	23,634,809	23,634,603	23,534,803	23,414,979
Long term Deposit	-	-	-	-	-	-
Current Assets	17,938,359	26,225,207	66,409,274	66,409,086	66,398,528	66,404,418

GULISTAN SPINNING MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2025

Particulars	No. of Share Holders	No. of Shares Held	Percentage
Directors, Chief Executive Officer, Their Spouses and Minor Children	7	4,089	0.03
Associated Companies, Undertakings and Related Parties	1	202,777	1.38
NIT & ICP	2	964	0.01
Joint Stock Companies	5	78,550	0.54
General Public (Local)	1,728	8,813,463	60.20
Other Companies	9	5,541,157	37.85
	1,752	14,641,000	100.00

GULISTAN SPINNING MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2025

A)	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	SHARES
	Paramount Spinning Mills Limited	202,777
B)	NIT & ICP	
	IDBL (ICP UNIT)	464
	Investment Corporation of Pakistan	500
C)	DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSES AND MINOR CHILDREN	
	DIRECTORS	
	Mr. Muhammad Junaid	500
	Mr. Sohail Maqsood	550
	Mr.Muhammad Akhtar Mirza	500
	Mr.Muhammad Ashraf Khan	986
	Mr.Abid Sattar	500
	Mrs.Zarqa Asif	500
	MR.Muhammad Arif	553
D)	OTHER COMPANIES	5,541,157
E)	JOINT STOCK COMPANIES	78,550
F)	GENERAL PUBLIC (LOCAL)	8,813,463
		14,641,000
H)	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 Spinning Mills Limited

I/We ______________________ being member of **Gulistan Spinning 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 Spinning 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 Spinning 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 28th October 2025 at 11:30 a.m and at any adjournment thereof.

Appropriate Revenue Stamp

As witness my/our hand this_______day of ___________2025

Signed by the said ______________________________

Witness 1:-

Name:-______________________________

Adress:-______________________________

CNIC:-______________________________

Witness 2:-

Name:-______________________________

Adress:-______________________________

CNIC:-______________________________

Notes:

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

پراکسی فارم

گلستان سپننگ ملز لمیٹڈ

میں / ہم ______________ بحیثیت گلستان سپننگ ملز لمیٹڈ کے رکن ، مالک برائے ________ عام حصص مطابق رجسٹرڈ فولیو نمبر __________ اور / یا سی ۔آر۔ سی شرکت کنندہ آئی ۔ڈی نمبر __________ کھاتہ نمبر __________ اس طرح مقرر کرتا ہوں جناب ______________ جو کہ گلستان سپننگ ملز لمیٹڈ کے رکن بھی ہیں ، بذریعہ فولیو نمبر __________ یا سی ۔ڈی۔ سی شرکت کنندہ آئی۔ ڈی نمبر __________ کھاتہ نمبر __________ یا انکی ناکامی کی صورت میں جناب ______________ برائے ______________ جو کہ گلستان سپننگ ملز لمیٹڈ کے رکن بھی ہیں ، بذریعہ فولیو نمبر __________ یا سی ۔ڈی۔ سی شرکت کنندہ آئی۔ ڈی نمبر __________ کھاتہ نمبر __________ جیسا کہ میری / ہماری پراکسی میں شرکت کرنے کے لئے، بات کرنے کے لئے اور ووٹ ڈالنے کے لئے 28 اکتوبر 2025 کو 11:30 بجے اور اس کے کسی بھی تعاقب میں منعقد ہونے والی کمپنی کے سالانہ اجلاس میں۔

میرے / ہمارے ہاتھ 2025 کے ________ دن کا گواہ ہونے کے طور پر
کہا ______________ کی نشاندہی

گواہ 1: -

نام: - ______________________________

پتہ : - ______________________________

CNIC: - ______________________________

گواہ 2: -

نام: - ______________________________

پتہ : - ______________________________

CNIC: - ______________________________

نوٹ:

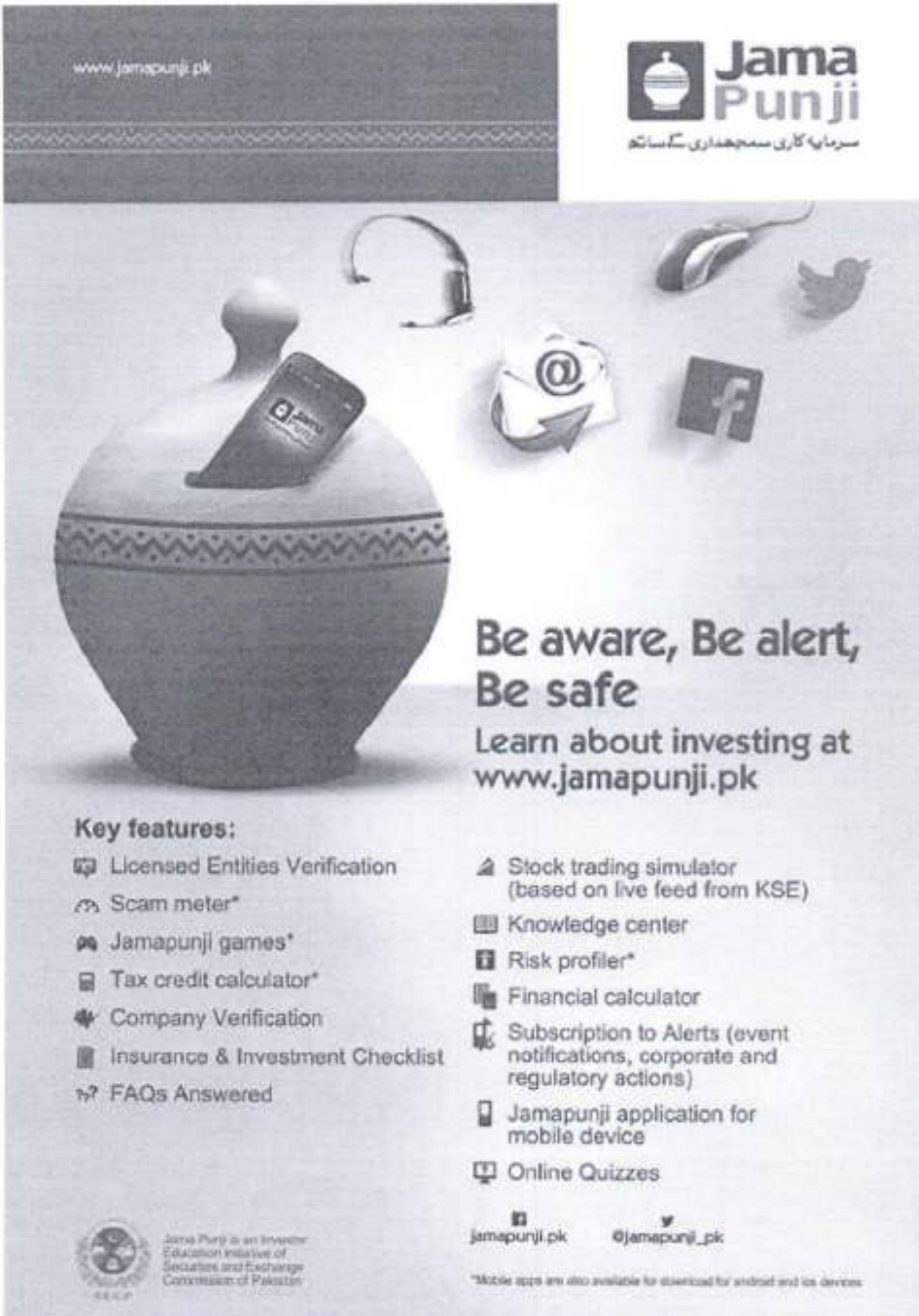
1۔پراکسی درست ہونا لازمی طور پر مہربند، دستخط اور گواہی دی جاسکتی ہے اور کمپنی کے ساتھ اجلاس کے قیام کے وقت سے 48 گھنٹوں کے بعد جمع نہیں ہونا چاہئے۔

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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	Note	2025	2024
		Rupees	Rupees

26 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 23. 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	2025 Rupees	2024 Rupees
Noureen Tanveer	Shareholder/sponsor	Payment of Loan	2,400,000	-
Mr. Tanveer Ahmad	Shareholder/sponsor	Receipt of Loan	-	858,500

27 CAPACITY AND PRODUCTION

All manufacturing facilities of company were disposed off.

28 NUMBER OF EMPLOYEES

	2025	2024
Number of employees as at June 30,2025	-	-
Average number of employees during the year	-	-

29 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 06-10-2025 by the Board of Directors of the Company.

MHA & CO

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR