



# Gulshan Spinning Mills Limited

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



January 22, 2020

## Mr. Hafiz Maqsood Munchi

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

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

Sir,

This is with reference to your letter No.GEN-216 dated 20.01.2020. In this regard we would like to inform you that the Company was listed on PSX from the last 39 years and has always complied with all the regulatory requirements including Pakistan Stock Exchange and Securities and Exchange Commission Of Pakistan.

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 Due to withdrawn of working capital lines by the banks, raw materials were not available to run the operations.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

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

Securities and Exchange Commission of Pakistan has dropped the winding up petition against the company vide its letter No.CSD/ARN/18793/2015-31 dated 21-03-2019.(copy of order is attached)

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

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

Sincerely,

For Gulshan Spinning Mills limited

  
Company Secretary



Corporate Supervision Department  
Company Law Division

Say No To Corruption

Through TCS  
March 21, 2019

No. CSD/ARN/193/2015 - 3137

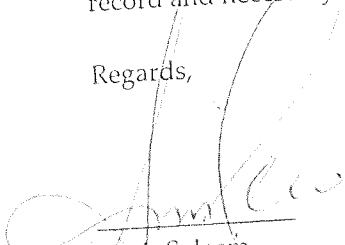
All the Directors  
Through Company Secretary  
Gulshan Spinning Mills Limited  
2<sup>nd</sup> Floor, Finlay House  
I.I. Chundrigar Road  
Karachi

Subject: Order in respect of Show Cause Notice No. CSD/ARN/193/2015-3456-57  
dated April 24, 2017 under section 301 read with Section 304 of the Companies  
Act, 2017.

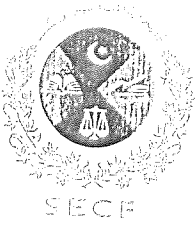
Dear Sir,

Please find enclosed herewith copy of the order dated March 20, 2019 in the titled matter for your  
record and necessary action.

Regards,

  
Amir Saleem  
Joint Director

Encl.: Copy of Order dated March 20, 2019.



Before Abid Hussain – Executive Director

*In the matter of*

Gulshan Spinning Mills Limited

Number and date of Show Cause Notice: CSD/ARN/193/2015-3456-57 dated April 24, 2017

Dates of Hearing: May 10, 2017, May 18, 2017, May 25, 2017,  
December 20, 2017, January 15, 2018, April 4, 2018,  
August 20, 2018, October 31, 2018, February 21, 2019

Authorized Representative: Mr. Abid Amin  
Financial Consultant

Mr. Hamza Khokhar  
Cornelius Lane & Mufti  
Advocate and Solicitors  
(Authorized Representatives)

ORDER

Under Clause (c) of Section 301 read with Clause (b) of Section 304 of the Companies Act 2017  
[Clause (b) of Section 305 read with Clause (b) of Section 309 of the repealed Companies Ordinance, 1984]

This Order shall dispose of proceedings initiated in the matter of Show Cause Notice (the "SCN") dated April 24, 2017 under Section 309 read with Section 305 of the repealed Companies Ordinance, 1984 (the "Ordinance") which is now replaced with Companies Act, 2017 (the "Act") issued to Gulshan Spinning Mills Limited (the "Company") and its board of directors.

2. The facts leading to this case, briefly stated are that the Company was incorporated in Pakistan under the Ordinance and its shares are listed on Pakistan Stock Exchange Limited. Principal business of the Company is to manufacture and sale of yarn. It was observed that the Company failed to hold two



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

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consecutive annual general meetings ("AGMs") for the year ended June 30, 2015 and June 30, 2016. In this regard, Company Registration Office (the "CRO"), Karachi approached the Commission for grant of sanction in terms of clause (b) of section 309 read with clause (b) of section 305 of the Ordinance to present a petition before the Honorable High Court for winding up of the Company on the above grounds.

3. Simultaneously with the issuance of SCN, hearing in the matter was fixed on May 10, 2017. M/s Cornelius, Lane & Mufti Advocate and Solicitors ("CLM") vide letter dated May 2, 2017 requested for three weeks' adjournment. The Commission acceded to the request of the authorized representatives and the hearing was therefore fixed on May 18, 2017. CLM vide its letter dated May 17, 2017 requested for ten days adjournment. Hearing was fixed on May 25, 2017. Mr. Shadman Shoaib and Mr. Abid Amin, as Authorized Representative attended the said hearing. Authorized Representatives submitted that the company is in process of settlement with the creditors. The management is trying best to restart the operations and to convene the overdue AGMs. In this regard, they requested for extension till October 31, 2017 for convening the overdue AGM.

4. Subsequently, hearing in the matter was fixed on December 20, 2017. CLM vide its letter dated December 19, 2017 requested to convene hearing in first week of January 2018. Hearing was then fixed on January 15, 2018, which was attended by Mr. Abid Amin and Mr. Hamza Khokhar as Authorized Representative. During the hearing, the Authorized Representatives submitted that audit for the year ended June 30, 2016 is in process and the Company will convene its AGM for the year ended June 30, 2015 by January 31, 2018. Later on, it was noted that the Company convened its AGM for the year ended June 30, 2015 on January 31, 2018. However, the Company failed to convene AGM for the year ended June 30, 2016.

5. In this regard, hearing was again fixed on April 04, 2018, August 20, 2018 and October 31, 2018. It was observed that no one appeared on the said hearing dates. Hearing was then fixed on February 21, 2019, which was attended by Mr. Abid Amin and Mr. Hamza Khokhar as Authorized Representatives. During the hearing, the Authorized Representatives informed that the Company has convened its overdue AGM for the year ended June 30, 2016 on July 16, 2018. Later on, director of the Company vide letter dated February 28, 2019 reiterated that all the pending AGMs under the directions of SECP have already been



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Corporate Supervision Department  
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*Continuation Sheet*

held. It is therefore requested to withdraw the notice issued by SECP and even the token penalty may be imposed due to financial position of the Company.

6. In terms of notification S.R.O 751(I)/2017 dated August 02, 2017 the power to adjudicate cases under Section 309 of the Ordinance (Section 304 of the Act) has been delegated to Executive Director (Corporate Supervision Department).

7. In view of the aforesaid, I observe that the Company has rectified the default and convened its overdue AGMs for the year ended June 30, 2015 and June 30, 2016 on January 31, 2018 and July 16, 2018 respectively. I therefore drop the proceedings initiated against the Company with no further action.

  
Abid Hussain  
Executive Director

Announced:  
March 20, 2019  
Islamabad