

**GULISTAN TEXTILE MILLS
LIMITED**

HALF YEARLY ACCOUNTS
FOR SIX MONTHS ENDED
DECEMBER 31, 2024
(UN AUDITED)

GULISTAN TEXTILE MILLS LTD

CONTENTS

COMPANY INFORMATION	3
DIRECTOR'S REPORT	4
AUDITOR'S REPORT	05-06
BALANCE SHEET	7
PROFIT AND LOSS ACCOUNT	8
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF CHANGES IN EQUITY	10
CASH FLOW STATEMENT	11
NOTES TO THE FINANCIAL STATEMENTS	12-15

GULISTAN

COMPANY

REPORT

2015-16

STATEMENT

OF CHANGES

IN EQUITY

AND

CASH FLOW

STATEMENTS

FOR THE YEAR

ENDING

31/03/2016

AND

INTERIM

GULISTAN TEXTILE MILLS LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Waqar Ahmed (Chairman)
Mr. Naseer Ahmed (Chief Executive)
Mr. Muhammad Younas
Mr. Junaid Hussain Shah
Mr. Mian Muhammad Khalid Nasim
Mr. Bashrat Mahmood Khalid
Mrs. Nazia Waqar

AUDIT COMMITTEE

Mr. Junaid Hussain Shah (chairman)
Mr. Waqar Ahmed
Mr. Bashrat Mahmood Khalid

HR & REMUNERATION COMMITTEE

Mrs. Nazia Waqar (chairman)
Mr. Waqar Ahmed
Mr. Bashrat Mahmood Khalid

CHIEF FINANCIAL OFFICER

Mr. Akhtar Aziz

COMPANY SECRETARY

Mr. Asmar Tariq

AUDITORS

M/s Malik Haroon Ahmad & Co
Chartered Accountants
Lahore.

LEGAL ADVISOR

M/s. A.K. Brohi & Company-Advocate

SHARE REGISTRAR OFFICE

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

REGISTERED OFFICE

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

REGIONAL OFFICE

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

WEB PRESENCE

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



Gulistan Textile Mills Limited

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

Director's Report to Shareholders

The Director of your company pleased to present unaudited financial statements of the Company for the six months ended December 31, 2024.

Operating & Financial Performance

Operating indicators	Half Yearly Ended December 31,2024	Half Yearly Ended December 31,2023
	(Rupees)	(Rupees)
Sales	-	-
Gross loss	-	-
Pre tax Profit/ (Loss)	(15,699,198)	(6,257,588)
Provision for taxation	-	-
Profit / (Loss) after taxation	(15,699,198)	(6,257,588)

Over View:

The Company has initiated the debt restructuring process with the help of the key lending financial institutions. In this regard a Scheme of Arrangement under section 279 to 283 & 285 of the Companies Act 2017 (Scheme of Arrangement) has already been sanctioned by the Hon'ble Sindh High Court at Karachi (the "Court") vide order dated 24.11.2021. The Scheme will be implemented in letter and spirit as sanctioned by the Court. As per the Scheme of Arrangement all the litigation with Banks will be withdrawn both by and against the company.

Future Outlook

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

Acknowledgement

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

On behalf of the Board

NASEER AHMED
CHIEF EXECUTIVE
Lahore:- 26.02.2025



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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Gulistan Textile Mills Limited (the Company) as at 31 December 2024 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended 31 December 2024. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

1. Due to litigations with banks, we have not received confirmations from banks and other financial institutions. Accordingly, we were unable to verify bank balances aggregating to Rs. 25.946 million.
2. We were unable to satisfy ourselves regarding balances payable in respect of trade, and other payables, post-employment benefits payable and unclaimed dividends amounting to Rs. 255.002 million, Rs 80.492 million and Rs. 0.30 million, respectively.

We conducted our review in accordance with International Standards on Review Engagement (ISREs). We are independent of the Company in accordance with the ethical requirements that are relevant to our review of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements

MHA & CO



Head Office: 25-G, Gulberg II, Lahore - 54660 Pakistan.



Karachi Office: M 7/3, Khayaban-e-Saadi, DHA Phase VII, Karachi

Islamabad: Office No. 9 & 10, 3rd Floor Pakland Square G8 Markaz, Islamabad



0092 42 111 642 111



info@mhaglobal.org



www.mhaglobal.org



Independent Affiliated of

UC&CS AMERICA

www.uccs-america.org

Accounting Legal and Business Advisors

A Strategic Alliance

New York Mexico



Qualified Conclusion

Based on our review, with the exception of the matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at December 31, 2023, and of its financial performance and its cash flows for the six-month period then ended, in accordance with International Accounting Standard 34 Interim Financial Reporting as applicable Accounting and Reporting Standard in Pakistan.

Other Matter

The figures of the unconsolidated interim statement of profit and loss and other comprehensive income for the three months period ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review the cumulative figures for the six months period ended December 31, 2024.

The engagement partner on the review resulting in this independent auditor's review report is Malik Haroon Ahmad



Malik Haroon Ahmad & Co.
Malik Haroon Ahmad & Co.
Chartered Accountants

Lahore
February 26, 2025
UDIN: RR202410206uxvHbeXnt


GULISTAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024 (UNAUDITED)

	Notes	(Un-audited) December 31, 2024	(Audited) June 30, 2024
-----Rupees-----			
ASSETS			
Investments	3	-	-
Disposal group under scheme of arrangement		52,801,235	52,801,235
Trade and other receivables		342,500,000	342,500,000
Advances, deposits and prepayments	4	864,073	10,016,273
Tax refunds due from government		19,652,607	19,652,607
Cash and bank balances	5	25,946,038	23,773,634
TOTAL ASSETS		441,763,953	448,743,749
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 30,000,000 (June 30, 2024 : 30,000,000) Ordinary shares of Rs. 10 each		300,000,000	300,000,000
Share capital		189,838,990	189,838,990
Reserves		576,748,715	576,748,715
Surplus on revaluation of property, plant and equipment		29,596,402	29,596,402
Sub-ordinated loan		423,800,000	423,800,000
Accumulated losses		(9,590,983,315)	(9,575,284,117)
Total equity		(8,370,999,208)	(8,355,300,010)
LIABILITIES			
Payable to banking companies under scheme of arrangements	6	8,216,834,000	8,216,834,000
Loan from associates and others	7	260,133,651	251,140,651
Post employment benefits payables		80,492,487	80,492,487
Trade and other payables	8	255,002,081	255,275,679
Unclaimed dividend		300,942	300,942
		8,812,763,161	8,804,043,759
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY & LIABILITIES		441,763,953	448,743,749

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

MHA & CO

DIRECTOR

GULISTAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2024 (UNAUDITED)

	Six months ended		Three months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
-----Rupees-----				
Sales-net	-	-	-	-
Cost of sales	-	-	-	-
Gross Profit/loss	-	-	-	-
Administrative expenses	(3,071,960)	(6,251,510)	(1,521,703)	(3,815,166)
Other Operating expenses	(12,620,000)	-	(11,280,000)	-
Loss from operations	(15,691,960)	(6,251,510)	(12,801,703)	(3,815,166)
Other income	-	-	-	-
Finance cost	(7,238)	(6,078)	(6,113)	(4,216)
Loss before levies and taxation	(15,699,198)	(6,257,588)	(12,807,816)	(3,819,382)
Levies and taxation	-	-	-	-
Loss after levies and taxation	(15,699,198)	(6,257,588)	(12,807,816)	(3,819,382)
Loss per share - basic and diluted	(0.83)	(0.33)	(0.67)	(0.20)

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

MHA & CO



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GULISTAN TEXTILE MILLS LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED DECEMBER 31, 2024 (UNAUDITED)

	Six months ended		Three months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	-----Rupees-----			
Loss after levies and taxation	(15,699,198)	(6,257,588)	(12,807,816)	(3,819,382)
Unrealized loss for the period	-	-	-	-
Total comprehensive loss for the period	(15,699,198)	(6,257,588)	(12,807,816)	(3,819,382)

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

MHA & CO

Nasir Ahmad

CHIEF EXECUTIVE

A. Ali

CHIEF FINANCIAL OFFICER

Asif Ali

DIRECTOR

GULISTAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UNAUDITED)

	Share Capital	Capital Reserve			Revenue Reserve		Subordinated loan	Total
		Share premium	Other reserves	Revaluation surplus	General reserve	Accumulated losses		
Balance as at July 01, 2023	189,838,990	379,080,000	(6,252,679)	910,658,520	203,921,394	(11,191,606,158)	423,800,000	(9,090,550,933)
Loss for the period	-	-	-	-	-	(6,257,588)	-	(6,257,588)
Balance as at December 31, 2023	189,838,990	379,080,000	(6,252,679)	910,658,520	203,921,394	(11,197,863,746)	423,800,000	(9,096,817,521)
Balance as at July 01, 2024	189,838,990	379,080,000	(6,252,679)	29,596,402	203,921,394	(9,575,284,117)	423,800,000	(8,355,300,010)
Loss for the period	-	-	-	-	-	(15,699,198)	-	(15,699,198)
Balance as at December 31, 2024	189,838,990	379,080,000	(6,252,679)	29,596,402	203,921,394	(9,590,983,315)	423,800,000	(8,370,999,208)

Rupees

MHA & CO

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

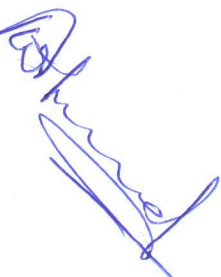
CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR



GULISTAN TEXTILE MILLS LIMITED
 CONDENSED INTERIM STATEMENT OF CASHFLOWS
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UNAUDITED)

	December 31, 2024	December 31, 2023
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss after levies and taxation	(15,699,198)	(6,257,588)
Adjustments for :		
Depreciation	-	226,412
Finance cost	7,238	6,078
Loss before working capital changes	(15,691,960)	(6,025,098)
(Increase) / decrease in current assets:		
Advances, deposits and prepayments	9,152,200	-
Trade and other receivables	-	7,821,370
Increase / (decrease) in current liabilities		
Trade and other payables	(273,598)	33,549
Cash generated from / (used in) operating activities	(6,813,358)	1,829,821
Finance cost paid	(7,238)	(6,078)
Net cash generated from / (used in) operating activities A	(6,820,596)	1,823,743
CASH FLOWS FROM INVESTING ACTIVITIES B	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan received from/(paid) to associates	8,993,000	(1,485,000)
Net cash generated from / (used in) financing activities C	8,993,000	(1,485,000)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,172,404	338,743
Cash and cash equivalents at beginning of the period	23,773,634	23,998,178
Cash and cash equivalents at end of the period	25,946,038	24,336,921

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

MHA & CO


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

GULISTAN TEXTILE MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UNAUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Gulistan Textile Mills Limited ("the Company") was incorporated on February 02, 1966 in Pakistan as a private company limited by shares and was converted into public limited company on April 11, 1966. The shares of the Company are listed on Pakistan Stock Exchange Limited (PSX). The Company was principally engaged in the manufacturing and sale of yarn, fabrics and other ancillary products. The registered office is located at Finlay House, I.I. Chundrigar Road, Karachi.

1.2 Scheme of arrangement with secured creditors

The Company along with its restructuring agent – United Bank Limited and majority of the lending financial institutions has signed a "Scheme of Arrangement" under sections 279 to 283 read with section 285 of the Companies Act, 2017 ("the Act"). The Sindh High Court through its order dated 24.11.2021, has sanctioned the scheme. The Scheme after its sanction from the Court is now binding on the Company, along with all the shareholders, creditors, stakeholders and any other regulatory / statutory bodies of/ or with respects to the Company. The Scheme seeks to record the terms and conditions of a legally binding compromise and arrangement between the secured creditors on one part and the Company and its directors and sponsors on the other part, for ensuring, inter alia, the settlement of the existing liabilities and ancillary measures as follows:

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

MHA & CO

GULISTAN TEXTILE MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UNAUDITED)

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 237 of the Companies Act, 2017. It has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2024.

2.2 Basis of measurement

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

2.3 Summary of Material accounting policies

The accounting policies adopted for the preparation of this condensed interim financial information are same as those applied in the preparation of preceding audited annual financial statements of the Company for the year ended June 30, 2024.

2.3.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current year

There are certain standards, amendments and interpretations to approved accounting standards that are effective in the current year but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments and interpretations to approved accounting standards that are effective for accounting periods beginning on July 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial information.

2.4 Accounting Estimates and Judgements

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires 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 expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

MHA & CO

GULISTAN TEXTILE MILLS LIMITED
 SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENT
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UNAUDITED)

3 INVESTMENTS

3.1 Quoted Shares

This represents an investment of 967,907 (June 2024: 967,907) share in Paramount Spinning Mills Limited amounting to Rs. 3,679,589 (June 2024:Rs. 3,679,589). The fair market value per share is Nil (June 2024: Nil) as on reporting date.

3.2 Unquoted Shares

This represents an investment of 616,890 (June2024: 616,890) share in Gulshan Weaving Mills Limited amounting to Rs. 6,410,793 (June 2024: Rs. 6,410,793). The fair market value per share is Nil (June 2024: Nil) as on reporting date.

Note	December 31, 2024	June 30, 2024
	(Un-audited)	(Audited)
-----Rupees-----		
4	ADVANCE, DEPOSITS AND PREPAYMENTS	
	Paramount Spinning Mills Limited	551,823
	Security deposits	312,250
		<u>864,073</u>
4.1	The maximum aggregate amount due from Paramount Spinning Mills Limited at end of any month during the period was Rs. 8,680,023 (June 2024: Rs. 23,470,073).	9,704,023
		<u>10,016,273</u>
5	CASH AND BANK BALANCES	
	Cash in hand	2,120,935
	Balance with banks	
	- current accounts	5.1
	- deposit accounts	80,451
	- term-deposit receipt	155
		5.2
		<u>23,744,497</u>
		<u>25,946,038</u>
5.1	Majority of the Company's bank accounts operations have been blocked by the respective banks due to on-going litigations with these banks.	22,249
5.2	These are under lien against guarantees provided to different government departments.	6,733
		155
		23,744,497
		23,773,634
6	PAYABLE TO BANKING COMPANIES UNDER SCHEME OF ARRANGEMENT	
	Principal payable to banking companies under Scheme of arrangement	5,640,188,000
	Mark up payables under scheme of arrangement	2,576,646,000
		<u>8,216,834,000</u>
7	LOAN FROM ASSOCIATES AND OTHERS	
	Gulistan Power Generation Limited	4,730,279
	Gulshan Spinning Mills Limited	6,827,087
	Interest free loan from other parties	7.1
		<u>248,576,285</u>
		<u>260,133,651</u>
7.1	These loans were advanced by the Chief Executive and relatives in order to meet working capital requirements. The repayment terms have not yet been finalized by the parties.	4,730,279
		6,827,087
		239,583,285
		251,140,651

MHA & CC

GULISTAN TEXTILE MILLS LIMITED
 SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENT
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UNAUDITED)

Note	December 31, 2024	June 30, 2024
	(Un-audited)	(Audited)
	-----Rupees-----	
8 TRADE AND OTHER PAYABLES		
Salaries payable	116,495,799	116,495,799
Custom duty/regulatory duty payable	20,232,659	20,232,659
Accrued liabilities	86,651,433	86,825,502
Income tax deducted at source	-	99,529
Sindh development fund payable	31,622,190	31,622,190
	<u>255,002,081</u>	<u>255,275,679</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no significant change in the contingencies since the date of preceding published unconsolidated annual audited financial statements for the year ended June 30, 2024.

9.2 Commitments

There has been no significant change in the matter since the date of preceding published unconsolidated annual audited financial statements for the year ended June 30, 2024.

10 RELATED PARTY TRANSACTIONS

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

Name of party	Relationship	Transaction	Amount
Mr. Naseer Ahmed	Chief Executive	Loan Received	8,993,000

11 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on 26.12.2024


12 GENERAL

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

MHA & CO


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR