



Before Abid Hussain – Executive Director

In the matter of

Gulistan Spinning Mills Limited

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

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

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

ORDER

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

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

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

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

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SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department
Company Law Division

Continuation Sheet - I -

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

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

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

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

Abid Hussain
Executive Director

Announced:

March 19, 2019

Islamabad