



## Gulistan Spinning Mills Limited

2<sup>nd</sup> 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.

- The directors have confirmed that none of them is serving as a director in more than Seven listed companies, including this Company;
- 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;
- 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;
- 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;
- 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;
- The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- 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;
- The financial statements of the company were duly endorsed by CEO and CFO before approval of the board;



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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.



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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





**MALIK HAROON AHMAD & CO.**  
(Formerly Malik Haroon Shahid Saifdar & Co.)  
**Chartered Accountants**

An Independent Member of



**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.

Lahore  
October 06, 2025  
UDIN: CR202510916jNtCR9hxX

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



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