



**QUARTERLY ACCOUNTS
FOR THREE MONTHS ENDED
SEPTEMBER 30, 2013
(UN-AUDTIED)**

Gulshan Spinning Mills Limited

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Company Information

BOARD OF DIRECTORS

Mr. Sohail Maqsood (Chairman)
Mr. Tanveer Ahmed (Chief Executive)
Mr. Riaz Ahmed
Mr. Muhammad Shafiq
Mr. Iftikhar Ali
Mr. Muhammad Yousaf
Mr. Hussain Athar

AUDIT COMMITTEE

Mr. Hussain Athar (Chairman)
Mr. Muhammad Shafiq
Mr. Sohail Maqsood

HR & REMUNERATION COMMITTEE

Mr. Muhammad Shafiq (Chairman)
Mr. Tanveer Ahmed
Mr. Hussain Athar

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid

COMPANY SECRETARY

Mr. Javaid Iqbal

AUDITORS

M/s. Hameed Chaudhri & Company
Chartered Accountants
Karachi.

LEGAL ADVISOR

M/s. Akhtar Javed - Advocate

TAX CONSULTANT

M/s. Sharif & Company - Advocate

SHARE REGISTRAR OFFICE

M/s. Hameed Majeed Associates (Pvt) Ltd.
Karachi Chamber
Hasrat Mohani Road Karachi
Ph. 32411474, 32412754, Fax. 32424835

REGISTERED OFFICE

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

REGIONAL OFFICE

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

MILLS

Unit I	Tibba Sultan Pur, Distt. Vehari
Unit II	Jumber Khurd Tehsil Chunian Distt, Kasur
Unit III	Warburton Distt. Nankana Sahib

Director's Report to Shareholders

The Directors of your Company are pleased to present unaudited financial statements of the Company for the first quarter ended September 30, 2013.

Financial Results

Operating Indicators	1 st Quarter Ended September 30, 2013 Rupees	1 st Quarter Ended September 30, 2012 Rupees
Sales	286,048,145	404,752,485
Gross loss	(30,324,210)	(57,437,391)
Pre Tax loss	(45,951,591)	(96,275,372)
Provision for Taxation	2,185,676	800,151
Loss Per Share	(3.43)	(4.37)

The period under review has also been proved difficult period though financial position of the Company is gradually improving. Severe energy crises coupled with on-going financial impediments have obstructed the optimum utilization of production capacities. The main reason for this underutilization has been non-availability of working capital facilities and resultantly the Company could not efficiently purchase sufficient raw material to run the installed capacities at optimum level. We were bound to arrange third party processing in order to keep our production units operational.

The Company had to operate in an increasingly competitive global textile market when local cost of operations has continued to go up due to increased utility cost and inflationary pressures. Inflationary pressures burdened our cost of production despite Company's efforts to mitigate the effect by implementation of several cost cutting measures. Persistent and unprecedented energy crisis in the Country compelled the Company to generate required energy through higher cost substitutes.

We have been conscious of the issues that are affecting our profitability and are committed to plans to turn Company into profit by implementing the restructuring process for better financial position, strengthening our operations through proficient acumen, improving manufacturing processes and offering better service to our customers.

Future Outlook:

We have been conscious of the issues that are affecting our profitability and are committed to plans to turn Company into profit by implementing the restructuring process (which is at advance stage) for better financial position, strengthening our operations through proficient acumen, improving manufacturing processes and offering better service to our customers. Moreover, present trend of increase in inflation, unpredictable abnormal hike in power costs and load shedding are likely to continue. All these factors may affect the profitability for the next quarter. In spite of these circumstances, the Management would be putting its best efforts to ensure continued growth, operational efficiency and optimum results for the Company and its valued stakeholders.

Acknowledgement:

We appreciate the efforts and with thanks place on record the continued support extended to us by our customers, suppliers and bankers. The valuable services rendered by our team of employees are gratefully acknowledged.

Condensed Interim Balance Sheet as at September 30, 2013

	NOTE	September-13 Rupees (Un-audited)	June-13 Rupees (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	3,780,031,561	3,803,785,944
Long term investment	6	92,064,041	91,490,350
Long term deposits		8,666,608	8,666,608
		<u>3,880,762,210</u>	<u>3,903,942,902</u>
CURRENT ASSETS			
Stores, spares and loose tools		40,699,618	40,974,753
Stocks in trade		797,461,072	804,479,995
Trade debtors		320,800,897	371,254,332
Loans and advances		37,903,243	33,297,153
Deposit and prepayments		6,552,324	6,761,867
Accrued mark up / interest		1,761,004	1,550,427
Other Receivables		15,532,272	20,193,765
Cash and bank balances		34,524,292	17,491,049
		<u>1,255,234,722</u>	<u>1,296,003,341</u>
		<u>5,135,996,932</u>	<u>5,199,946,243</u>
EQUITY AND LIABILITIES			
Share capital		222,250,380	222,250,380
Reserves		272,000,000	272,000,000
Unappropriated (loss) / profit		(2,323,049,425)	(2,287,756,179)
Shareholders' equity		<u>(1,828,799,045)</u>	<u>(1,793,505,799)</u>
SURPLUS ON REVALUATION OF LAND		2,426,499,483	2,439,343,504
SUBORDINATE LOAN		250,000,000	250,000,000
NON CURRENT LIABILITIES			
Long term loans		75,000,000	75,000,000
Long term finances	7	-	-
Liabilities against assets subject to finance lease	7	-	-
Staff retirement benefits		26,925,751	26,195,363
Deferred liabilities		617,901,836	615,716,160
		<u>719,827,587</u>	<u>716,911,523</u>
CURRENT LIABILITIES			
Trade and other payables	8	567,140,212	547,215,715
Accrued mark up / interest	9	-	-
Current portion of non-current liabilities		135,216,093	135,216,093
Short term borrowings	10	2,853,028,538	2,891,340,222
Provision for taxation		13,084,064	13,424,985
		<u>3,568,468,907</u>	<u>3,587,197,015</u>
CONTINGENCIES AND COMMITMENTS	11	-	-
		<u>5,135,996,932</u>	<u>5,199,946,243</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Condensed Interim Profit and Loss Account (Un-audited) for the first quarter ended September 30, 2013

	For the first quarter ended	
	September-13 Rupees	September-12 Rupees
Sales	286,048,145	404,752,485
Cost of Sales	316,372,355	462,189,876
Gross (loss) / Profit	(30,324,210)	(57,437,391)
Distribution Cost	2,176,155	16,218,756
Administrative Expenses	13,944,703	14,358,223
Other Operating Income	(1,427,605)	(8,765,102)
	14,693,253	21,811,877
(Loss) / Profit from Operations	(45,017,463)	(79,249,268)
Finance Cost	555,049	8,625,153
Share of Loss of an Associated Company / Joint Venture	379,079	(8,400,951)
(Loss) / profit before taxation	(45,951,591)	(96,275,372)
TAXATION	2,185,676	800,151
(Loss) / profit after taxation	(48,137,267)	(97,075,523)
(Loss) earning per share	(2.17)	(4.37)

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

**Condensed Interim Statement of Comprehensive income (Un-audited)
for the first quarter ended September 30, 2013**

	For the first quarter ended	
	September-13	September-12
	Rupees	Rupees
(Loss)/Profit after taxation	(48,137,267)	(97,075,523)
Other comprehensive income	-	-
Total comprehensive (loss)/income for the period	<u>(48,137,267)</u>	<u>(97,075,523)</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Condensed Interim Cash Flow Statement (Un-audited) for the first quarter ended September 30, 2013

	NOTE	For the first quarter ended	
		September-13 ----- Rupees -----	September-12 -----
CASH USED IN OPERATIONS	12	55,952,977	27,641,484
Cash flows from investing activities:			
Addition to operating fixed assets		(608,050)	(877,058)
Net cash used in investing activities:		(608,050)	(877,058)
Cash flows from financing activities:			
Payments made under finance lease		-	(1,504,910)
Short term borrowings		(38,311,684)	313,977
Net cash from financing activities		(38,311,684)	(1,190,933)
Net increase in cash and Cash equivalents		17,033,243	25,573,493
Cash and cash equivalents at beginning of the year		17,491,049	22,551,549
Cash and cash equivalents at end of the year		34,524,292	48,125,042

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Changes in Equity (Un-audited) for the first quarter ended September 30, 2013

	Share Capital issued, subscribed and paid-up	Reserves		Unappropriated Profit	Total
		Share Premium	General Reserve		
-----Rupees-----					
Balance as at July 1, 2012	222,250,380	66,000,000	206,000,000	(2,085,160,651)	(1,590,910,271)
Total comprehensive loss for the period	-	-	-	(97,075,523)	(97,075,523)
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation.				13,545,322	13,545,322
Balance as at September 30, 2012	222,250,380	66,000,000	206,000,000	(2,168,690,852)	(1,674,440,472)
Balance as at July 1, 2013	222,250,380	66,000,000	206,000,000	(2,287,756,179)	(1,793,505,799)
Total comprehensive loss for the period	-	-	-	(48,137,267)	(48,137,267)
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation.				12,844,021	12,844,021
BALANCE AS AT SEPTEMBER 30 , 2013	222,250,380	66,000,000	206,000,000	(2,323,049,425)	(1,828,799,045)

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Notes to the Condensed Interim Financial Information (Un-audited) for the first quarter ended September 30, 2013

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Gulshan Spinning Mills Limited (the Company) was incorporated as a Public Limited Company in Pakistan under the Companies Ordinance, 1984. Its main business is manufacturing and sales of yarn. The shares of the Company are listed on Karachi and Lahore Stock Exchanges. The address of its registered office is 2nd Floor, Finlay House, I.I. Chundrigar Road, Karachi.
- 1.2 The Board of Directors of the Company in its meeting held on April 05, 2011 approved the scheme of merger by amalgamation of the Company and Gulistan Spinning Mills Limited with and into Paramount Spinning Mills Limited along with the approval of the share swap ratio in relation thereto. The Company on orders of Honourable Sindh High Court called Extra Ordinary General Meeting on August 1, 2011 in which the above said scheme was approved by the shareholders of the Company. No Objection Certificates from its creditors and lenders are pending for the said matter.

2. BASIS OF PRESENTATION

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. 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 Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 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, 2013.

3. ACCOUNTING ESTIMATES AND JUDGMENTS

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, 2013.

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.

Estimation and judgements made by the management in the preparation of this condensed interim financial information were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2013 except for the following:

Change in estimates

The management, during the year 2013, has engaged M/s Maricon Consultants (Pvt.) Ltd., Engineers, Authorized Valuators of Pakistan Banking Association and Leasing Association of Pakistan to ascertain the useful life and assess the remaining useful life of following depreciable assets. Keeping in consideration the assessed useful life of these assets, the depreciation rates of depreciable assets were found excessive and consequently depreciation rates have been reduced as follows:

Asset category	Depreciation rates (%)	
	Revised	Previous
Factory buildings	2.5	5
Residential buildings	2.5	5
Plant and machinery - leased and owned	2.5	5
Electric Installations	2.5	10
Gas power generators	4	5

The change in accounting estimate has been accounted for prospectively in accordance with the requirements of International Accounting Standard 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' by adjusting the depreciation charge for current period. The change in accounting estimate has resulted in decrease in depreciation charge for the period by Rs.27.032 million with corresponding increase in carrying value of operating fixed assets and decrease in current year's loss before taxation by the same amount.

	Note	Un-audited September-13 Rupees	Audited June-13 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	3,780,031,561	3,803,785,944
		<u>3,780,031,561</u>	<u>3,803,785,944</u>
5.1 Operating fixed assets			
Book value at beginning of the period / year		3,803,785,944	3,895,756,389
Additions during the period / year		608,050	7,986,495
Disposal of vehicles - at book value		-	(357,817)
Depreciation charge for the period / year		(24,362,433)	(99,599,123)
Book value at end of the period / year		<u>3,780,031,561</u>	<u>3,803,785,944</u>
Additions during the period / year:			
Plant and machinery		210,000	4,416,610
Electric Installations		321,200	2,373,235
Mills equipment		69,750	953,600
Office equipment		-	230,090
Furniture and fixture		7,100	12,960
		<u>608,050</u>	<u>7,986,495</u>

There has been no change in the status of matter as detailed in note 5.4 to the Company's published annual financial statements for the year ended June 30, 2013.

	Note	Un-audited September-13 Rupees	Audited June-13 Rupees
6. LONG TERM INVESTMENTS			
In Associated Company	6.1	-	-
In Joint Venture	6.2	58,258,524	58,637,603
Available for sale	6.3	33,805,517	32,852,747
		<u>92,064,041</u>	<u>91,490,350</u>

September-13
(Un-audited)
----- (Rupees) -----
June-13
(Audited)

6.1 Gulistan Textile Mills Limited

In associated undertaking - equity basis

600,946 (June 30, 2013: 600,946) Ordinary shares of Rs.10 each	40,000,000	40,000,000
Share of post acquisition reserves:	(217,122,547)	(217,122,547)
Share of item directly credited in the equity of Associated Company	4,825,035	4,825,035
Share of surplus of revaluation of fixed assets	172,297,512	172,297,512
	<u> -</u>	<u> -</u>

6.1.1 Fair value of investments in associate is Rs. 4.807 million (June 2013: Rs. 6.039 million)

6.1.2 The percentage of equity held in associate is 3.166% (June 2013: 3.166%), by virtue of common directorship equity method have been applied, as it results significant influence.

September-13
(Un-audited)
----- (Rupees) -----
June-13
(Audited)

6.2 In Joint Venture

7,500,000 (June 30, 2013: 7,500,000) Ordinary shares of Rs.10/- each	75,000,000	75,000,000
As at July 1,	(17,862,397)	(15,918,597)
Share of loss for the year	(379,079)	(1,943,800)
	(18,241,476)	(17,862,397)
Deposited for right shares	1,500,000	1,500,000
	<u>58,258,524</u>	<u>58,637,603</u>

6.2.1 This represent 50% interest in GEL a joint venture between the company and Energy Infrastructure Holdings Limited for setting up 200 MW power project at Sungo-Wali Tehsil Wazirabad District Gujranwala.

In terms of clause 10.3 of the shareholders' agreement, the company, Gulshan Spinning Mills Limited, has entered into deed of accession so as to make it a party to and be by this agreement.

6.2.2 During financial year 2007, the proposed project of 200 MW of GEL was approved by Private Power & Infrastructure Board (PPIB) as a fast track project and the GEL was assigned to achieve its Commercial Operation Date (COD) latest by March 31, 2009. Meanwhile, the GEL Tariff was also notified by National Electric Power Regulatory Authority (NEPRA) on April 19, 2007. However, the GEL could not finalize certain related arrangements requisite for COD including availability of finance and engines on timely bases. Resultantly, the GEL got extension in achieving its COD from PPIB by December 2010 and June 2011. Simultaneously, the GEL also filed a petition for revised tariff, which was notified by NEPRA on July 8, 2008.

6.2.3 The GEL in order to achieve the financial close, has mandated National Bank of Pakistan (NBP) to arrange PKR 14,135 millions. The aforesaid mandate was executed on April 14, 2008. However, due to deteriorating law and order situation, circular debt issue, tight liquidity position and ballooning exposure of banking sector towards the power projects, the financial close has not been achieved with in the envisaged time period. The GEL, as a result thereof, approached Private Power and infrastructure Board (PPIB) with the request to make certain amendments in the power purchase agreement to facilitate the financial close but PPIB did not respond positively towards the GEL request and as a consequence thereof the GEL has filed a petition in the Honourable Sindh High Court to protect itself from the repercussions of non achieving the financial close with in stipulated time period including encashment of performance guarantee amounting to US \$ 1,000,000 extended to PPIB.

The Honourable High Court has ordered the plaintiff (GEL) to keep alive guarantee and have restricted PPIB from en-cashing guarantee till the adjudication of the application filed by the GEL. The stay order is still in filed and the case is pending for adjudication. Accordingly, no related adjustment has been made in financial statements of GEL.

- 6.2.4** With reference to Note 6.2.2 & 6.2.3, GEL has also extended commitment bank guarantee amounting to 3,000,000 Euro in favour of Wartsila Finland (supplier of engines). During last year GEL could not raise the requisite funds and deposit initial mobilization advance with Wartsila and accordingly, Wartsila had approached the concerned bank for encashment of guarantee. However GEL filed a petition in Honourable Sindh High Court to protect encashment of such guarantee. The Honourable High Court has restricted Wartsila from en-cashing the guarantee till the adjudication of the application filed by GEL. The stay order is still in file and the case is pending for adjudication. Accordingly, no related adjustment has been made in the financial statements of GEL. The annual financial statement for year ended June 30, 2011 of GEL were initialled by a firm of Chartered Accountants but not yet been signed.

	Note	September-13 (Un-audited)	June-12 (Audited)
----- (Rupees) -----			
6.3 Available for Sale			
Defence saving certificates	6.3.1 & 2	21,000,000	21,000,000
Accrued interest thereon		12,805,517	11,852,747
		<u>33,805,517</u>	<u>32,852,747</u>

- 6.3.1** This represents investment in Defence Savings Certificates, having aggregate face value of Rs.21 million (2013: Rs.21 million). These certificates are maturing on various dates by March 5, 2020. These carried mark-up at the effective rate of 18% per annum.

- 6.3.2** These are under lien with bank against guarantee to Rs. 19.504 millions (June 2013: Rs. 19.504 millions)

7 LONG TERM FINANCES AND LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - Secured

Due to the pending litigations as detailed in note 11.1.1 to this condensed interim financial information, the Company's financial arrangements with the banking companies and financial institutions have been disputed and the Company will only make payments / adjustments of all the finances after the amounts are reconciled with these banks and financial institutions in accordance with the above mentioned suit. In terms of provisions of International Accounting Standard 1 - 'Presentation of Financial Statements', all liabilities under these finance agreements should be classified as current liabilities. Based on the above, instalments due after the twelve months period ending September 30, 2014 under long term finance agreements and lease finance agreements have been grouped under current portion of non-current liabilities.

8 TRADE AND OTHER PAYABLES

Trade and other payables include bills payable / letters of credit payable, which represent payable to various financial institutions in respect of letters of credit (LCs) issued by the financial institutions in favour of various local and imported raw material suppliers. The Company is in litigation with banks and financial institutions as detailed in note 11.1.1 and payments / adjustments will be made upon the outcome of final decision of the litigation.

9 ACCRUED MARK-UP / INTEREST

During the three months ended September 30, 2013, the Company has not provided mark-up / interest on its long term finances, lease finances and short term borrowings to the extent of Rs.18.579 million, Rs.0.989 million and Rs.573.791 million respectively due to pending litigations with the financial institutions. Un-provided mark-up / interest upto the balance sheet date aggregated Rs.593.359 million.

10 SHORT TERM BORROWINGS - Secured

- 10.1** The abovementioned balances are against finance facilities which were expired during the period and have not been renewed by the respective banks / financial institutions and these banks & financial Institutions have filed suits before different Civil Courts, Banking Courts and High Courts for recovery of their financial liabilities through attachment and sale of Company's hypothecated / mortgaged / charged stocks and properties. The Company had also filed a suit in the Lahore High Court for redemption / release of security, rendition of accounts, recovery of damages, permanent injunction and ancillary reliefs as more fully detailed in note 11.1.1.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 Liabilities towards banks and financial institutions

- (a) The Company filed a global suit in the Lahore High Court (LHC) against all banks / 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 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 management is analysing various options available to the Company including filing appeal before higher court.
- (b) Various banks and financial Institutions have filed suits before Civil Court, Lahore, Sindh High Court and Lahore High Court for recovery of their long term and short term liabilities through attachment and sale of Company's hypothecated / mortgaged / charged stocks and properties. The aggregate amount of these claims is Rs.2,958.844 million (June 2013: Rs.2,958.844 million).

Since the matters are pending before various courts, the Company has not acknowledged its financial liabilities towards these banks / financial institutions until the amounts of principal and mark-up / interest are reconciled with these financial institutions in accordance with the abovementioned suits. However, the liability in respect of principal outstanding has been accounted for to the full extent where as mark-up / interest to the extent of Rs.593.359million has not been accounted upto to the reporting date.

The management is strongly contesting the abovementioned cases and is hopeful for a favourable decision. Since all the cases are pending before various Courts therefore the ultimate outcome can not be established.

11.1.2 There has been no change in the matter as detailed in note 28.1.2 to the Company's published annual financial statements for the year ended June 30, 2013.

11.1.3 Refer contents of note 6.2.5 to the company's published annual financial statements for the year ended June 30, 2013.

11.1.4 Counter guarantees aggregating Rs.78.518 million (June 30, 2013: Rs.78.518 million) given by the Company to various banks outstanding as at September 30, 2013 in respect of guarantees issued in favour of various Government Departments / Institutions and Sui Northern Gas Pipelines Limited.

11.2 Commitments

11.2.1 Commitment against confirmed letters of credit outstanding at the period end was for Rs.Nil (June 30, 2013: Nil).

	For the first quarter ended	
	September-13	September-12
	(Un-audited)	
12. Cash flows from operating activities		
Profit before taxation	(45,951,591)	(96,275,372)
Adjustments for ;		
Depreciation	24,362,433	26,969,619
Provision of gratuity	4,480,425	2,606,769
Finance cost	555,049	8,625,153
Share of profit from associate / joint venture	379,079	8,400,951
Interest income	(1,427,605)	(1,319,655)
Reversal of impairment loss equity investments	-	(7,445,447)
	28,349,381	37,837,390
Movement in working capital		
Stores, spare parts and loose tools	275,136	807,939
Stocks in trade	7,018,923	22,805,290
Trade debts	50,453,435	42,844,412
Loans and advances	(4,606,090)	25,048,705
Deposits and prepayments	209,543	(632,574)
Other receivables	4,661,493	(928,229)
Trade and other payables	19,924,497	14,830,575
Change in working capital	77,936,937	104,776,118
Net cash generated from operations	60,334,727	46,338,136
Interest received	264,257	627,495
Interest paid	(555,049)	(11,484,213)
Tax paid	(340,921)	(1,462,394)
Gratuity paid	(3,750,037)	(6,377,540)
	(4,381,750)	(18,696,652)
Net cash used in operating activities	55,952,977	27,641,484

13. TRANSACTIONS WITH RELATED PARTIES

Nature of transaction	Nature of relationship		
Purchases	Associated Company	-	36,977,474
Sales	Associated Company	-	44,801,998
Processing income	Associated Company	26,278,195	29,537,578
Gratuity	Defined benefit plan	4,480,425	2,606,769

14. OPERATING SEGMENT

This interim financial information has been prepared on the basis of a single reportable segment.

(a) Nil (September 2012: 21%) of sales of the Company are made to customers located outside Pakistan.

(b) All non-current assets of the Company at September, 2013 and September, 2012 are located in Pakistan.

15. GENERAL

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

This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on October 31, 2013.



Gulshan Spinning Mills Limited

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