



**QUARTERLY ACCOUNTS
FOR THREE MONTHS ENDED
SEPTEMBER 30, 2012
(UN-AUDTIED)**

Gulistan Spinning Mills Limited

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Company Information

BOARD OF DIRECTORS

Mr. Sohail Maqsood (Chairman)
Mr. Tanveer Ahmed (Chief Executive)
Mr. Muhammad Yousaf
Mr. Umer Hayat Gill
Mr. Riaz Ahmed
Mr. Muhammad Shafiq
Mr. Iftikhar Ali

AUDIT COMMITTEE

Mr. Muhammad Shafiq (Chairman)
Mr. Umer Hayat Gill
Mr. Sohail Maqsood

HR & REMUNERATION COMMITTEE

Mr. Sohail Maqsood (Chairman)
Mr. Tanveer Ahmed
Mr. Muhammad Shafiq

CHIEF FINANCIAL OFFICER

Mr. Aaqib Rauf

COMPANY SECRETARY

Mr. Javaid Iqbal

AUDITORS

M/s. Mushtaq & Co.
Chartered Accountants,
Karachi.

LEGAL ADVISOR

M/s. Akhter 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 : 32424826, 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

Jumber Khurd Tehsil Chunnain Distt. Kasur.

WEB PRESENCE

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

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, 2012.

Financial Results

Operating Indicators	1 st Quarter Ended September 30, 2012 Rupees	1 st Quarter Ended September 30, 2011 Rupees
Sales	294,192,758	452,169,097
Gross (loss)/Profit	(4,765,592)	20,464,470
Pre Tax (loss)/Profit	(23,181,011)	(40,225,757)
Provision for Taxation	(2,632,771)	(6,715,265)
Earnings/(loss) Per Share	(1.40)	(2.29)

The period under review has also been proved difficult period. The severe gas and electricity load shedding and rising trends of energy costs has further aggravated the position. Moreover, the condition has worsened when financial institutions withdrew their working capital and export discounting lines unilaterally resulting in loss of export business. Due to withdrawal of working capital and export discounting lines, timely purchase of cotton at cheaper rates could not be materialized. Due to the company's inability to purchase raw materials adequately it was unable to maximize production capacity which subsequently declined 38% of installed capacity which resulted in loss. These all matters elevated the entire conflict which even caused litigation and the Company filed a suit before Honorable Lahore High Court jointly against financial institutions under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 for redemption / release of security, rendition of accounts, and recovery of damages, permanent injunction, ancillary reliefs. The banks in response also filed recovery suits before different Civil Courts, Banking Courts and High Courts for recovery of their long term & short term liabilities through attachment and sale of Company's hypothecated / mortgaged / charged stocks and properties against the Company. The Lahore High Court vide its order dated October 25, 2012 has 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. Since the matter is prejudice in the Honorable Lahore High Court, the company has not therefore acknowledged its liability relating to mark up until the amount of principal and mark up is reconciled with the financial institutions in accordance with the above mentioned suit.

The debt amortization profile, higher interest cost and associated liquidity problems have forced the company to initiate restructuring of its debt obligations subject to reconciliation of financial obligations to ensure continued timely discharge of its commitments to its lenders. The company has initiated the debt restructuring process with the help of the key lending financial institutions. In this regard leading law firm has been appointed as transaction lawyer and restructuring plan/terms are in process of finalization and majority of financial institutions have agreed in principle to restructure the loans. Once achieved it would improve the company's financial health and liquidity of the Company.

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 (Un-Audited) as at September 30, 2012

	Note	(UN-AUDITED)	(AUDITED)
		September 30, 2012	June 30, 2012
		Rupees	Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3	1,627,796,679	1,637,133,807
Long term investments		9,471,956	12,667,534
Long term deposits		2,008,468	2,008,468
CURRENT ASSETS			
Stores, spare parts and loose tools		26,911,363	28,408,507
Stock in trade		332,084,471	339,813,495
Trade debts		58,735,820	69,173,024
Loan and advances		6,620,755	2,818,536
Trade deposits, prepayments & other		12,251,513	12,154,318
Mark up accrued		86,215	286,091
Tax refunds due from Government		15,481,536	14,512,386
Cash and bank balances		12,802,558	12,495,117
		464,974,231	479,661,474
		<u>2,104,251,334</u>	<u>2,131,471,283</u>
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 (June 30, 2012 : 15,000,000)			
Ordinary shares of Rs. 10 each		150,000,000	150,000,000
Issued, subscribed and paid up share capital	4	146,410,000	146,410,000
Reserves		25,000,000	25,000,000
Accumulated loss		(1,334,997,632)	(1,321,282,501)
		(1,163,587,632)	(1,149,872,501)
Surplus on revaluation of property, plant and equipment		1,032,175,822	1,039,008,931
NON CURRENT LIABILITIES			
Long term financing	5	-	-
Long term loan from directors		103,000,000	103,000,000
Liabilities against assets subject to finance lease	6	-	-
Deferred liabilities		238,359,302	240,916,293
CURRENT LIABILITIES			
Trade and other payables	7	437,626,505	443,110,306
Mark up accrued on loans	8	2,050,676	1,674,902
Short term borrowings	9	1,244,005,887	1,241,786,407
Current portion of:			
- long-term financing	5	180,000,000	180,000,000
- liabilities against assets subject to finance lease	6	17,945,629	18,969,781
Provision for taxation		12,675,145	12,877,164
		1,894,303,842	1,898,418,560
CONTINGENCIES AND COMMITMENTS			
	10		
		<u>2,104,251,334</u>	<u>2,131,471,283</u>

The annexed notes form an integral part of these financial statements.

Condensed Interim Profit and Loss Account (Un-audited) for the first quarter ended September 30, 2012

	QUARTER ENDED	
	September 30, 2012	September 30, 2011
	Rupees	Rupees
Sales - net	294,192,758	452,169,097
Cost of sales	298,958,350	431,704,627
Gross (Loss) / profit	(4,765,592)	20,464,470
Other operating income	599,086	54,856
	(4,166,506)	20,519,326
Distribution cost	4,341,194	9,973,355
Administrative expenses	7,616,138	7,146,110
Other operating expenses	122,000	108,210
Finance cost	3,257,525	43,520,559
	15,336,857	60,748,234
	(19,503,363)	(40,228,908)
Share of (loss) / profit of associates	(3,677,648)	3,151
(Loss) / profit before taxation	(23,181,011)	(40,225,757)
Taxation	(2,632,771)	(6,715,265)
(Loss) / Profit after taxation	(20,548,240)	(33,510,492)
(Loss) / Earnings per share - basic and diluted¹	(1.40)	(2.29)

The annexed notes form an integral part of these financial statements.

**Condensed Interim Statement of Comprehensive Income (Un-audited)
for the first quarter ended September 30, 2012**

	QUARTER ENDED	
	September 30, 2012	September 30, 2011
	Rupees	Rupees
(Loss) / profit after taxation	(20,548,240)	(33,510,492)
Other comprehensive Income	-	-
Total Comprehensive (loss) / income for the year	(20,548,240)	(33,510,492)

The annexed notes form an integral part of these financial statements.

Condensed Interim Cash Flow Statement (Un-audited) for the first quarter ended September 30, 2012

	Note	QUARTER ENDED	
		September 30, 2012	September 30, 2011
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(23,181,011)	(40,225,757)
Adjustments for:			
Depreciation on property, plant and equipment		10,234,873	6,712,681
Provision for staff retirement benefits - gratuity		1,718,250	1,500,000
Share of (loss) / profit of associates		3,677,648	(3,151)
Finance cost		3,257,525	43,520,559
Interest Income		(117,016)	(54,856)
Mark up accrued on defence saving certificates		(482,070)	-
Cash flows before changes in working capital		(4,891,801)	11,449,476
Changes in working capital	12	9,311,006	(8,685,765)
Cash generated from / (used in) operations		4,419,205	2,763,711
Finance cost paid		(2,881,751)	(37,986,375)
Staff retirement benefits paid - gratuity		(595,874)	782,339
Income taxes paid		(1,248,615)	(8,292,436)
Net cash generated from / (used in) operating activities		(4,726,240)	(45,496,472)
		(307,035)	(42,732,761)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment		(897,744)	(4,139,250)
Mark up received		316,892	54,856
Net cash (used in) / generated from investing activities		(580,852)	(4,084,394)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	30,000,000
Payment of liabilities against assets subject to finance lease		(1,024,152)	(5,723,945)
Increase in short term borrowings - net		(5,415,516)	45,534,000
Net cash (used in) / generated from financing activities		(6,439,668)	69,810,055
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(7,327,555)	22,992,900
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,007,638	27,928,463
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13	(6,319,917)	50,921,363

The annexed notes form an integral part of these financial statements.

Condensed Interim Statement of Changes in Equity (Un-audited) for the first quarter ended September 30, 2012

	Share capital	Reserves Share Premium	Unappropriated profit/(loss)	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2011	146,410,000	25,000,000	207,423,975	378,833,975
(Loss) for the quarter ended	-	-	(33,510,492)	(33,510,492)
Balance as at September 30, 2011	<u>146,410,000</u>	<u>25,000,000</u>	<u>173,913,483</u>	<u>345,323,483</u>
Balance as at July 01, 2012	146,410,000	25,000,000	(1,321,282,501)	(1,149,872,501)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	6,833,109	6,833,109
(Loss) for the quarter ended	-	-	(20,548,240)	(20,548,240)
Balance as at September 30, 2012	<u>146,410,000</u>	<u>25,000,000</u>	<u>(1,334,997,632)</u>	<u>(1,163,587,632)</u>

The annexed notes form an integral part of these financial statements.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) for the first quarter ended September 30, 2012

1 STATUS AND NATURE OF BUSINESS

Gulistan Spinning Mills Limited (the company) was incorporated on 25 February, 1987 and its shares are listed on Karachi and Lahore Stock Exchanges in Pakistan. The company is principally engaged in manufacture and sale of yarn. The registered office of the company is situated at 2nd Floor, Finlay House, I.I. Chundrigar Road, Karachi in the province of Sindh, Pakistan. The principal business of the company is to manufacture and sale of yarn. The manufacturing unit is located at District Kasur in the Province of Punjab.

2 BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company as at and for the year ended 30th June, 2012.

These condensed interim financial information are being submitted to the shareholders as required by the Listing regulations of Karachi and Lahore Stock Exchange and section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the selected notes for the 1st quarter ended September 30, 2012. These condensed interim financial statements also include condensed interim profit and loss statement for the quarter ended September 30, 2012.

2.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the financial statements for the period ended September 30, 2012 are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2012.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

2.2 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of these condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2012, except as stated in note 3.1

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2012.

3 PROPERTY, PLANT AND EQUIPMENT

	September 30, 2012		June 30, 2012	
	Additions	Disposals	Additions	Disposals
	Cost in Rupees	Cost in Rupees	Cost in Rupees	Cost in Rupees
Owned Assets				
Buildings on Freehold land	-	-	12,188,025	-
Plant & Machinery	158,000	-	8,854,319	-
Electric Installations	142,916	-	1,596,037	-
Factory Equipment	596,828	-	1,195,063	-
Office Equipments	-	-	764,654	-
Furniture and Fixtures	-	-	65,137	-
Vehicles	-	-	102,550	-
Leased Assets				
Plant & Machinery	-	-	-	-
Vehicles	-	-	-	-
	<u>897,744</u>	<u>-</u>	<u>24,765,785</u>	<u>-</u>

- 3.1 During the period the Company revised its estimate of useful life of certain items of Property, Plant and equipment based on a valuation report by independent valuers M/S Maricon Consultants (Pvt) Limited. As per the independent valuers' report the depreciation rates for some items of Property, plant and equipment were excessive and needed revision. Keeping in view the assessment of the independent valuer the company has revised the depreciation rates of certain items of Property, plant and equipment as follows;

Item of Property, Plant and Equipment	Depreciation rates (%)	
	Revised	Original
1) Building on feehold land	2.5	5
2) Plant and machinery	2.5	5
3) Power house	4.0	5

The change has been treated as a change in accounting estimate, applied prospectively, in accordance with the guidelines issued in the International Accounting Standard (IAS) 8, "Accounting Policies, Changes in Accounting Estimates and Errors". Had the company not revised its estimate of useful life and depreciations rates of these items of Property, Plant and Equipment the depreciation charge for the period would have been higher by Rs. 11,470,339/- with a consequential decrease in the carrynig value of items of Property, Plant and Equipment and an increase in the net loss after tax for the period by the same amount.

4 SHARE CAPITAL

Authorized Capital

	September 30, 2012 Rupees	June 30, 2012 Rupees
15,000,000 Ordinary shares of Rs.10 each	<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid-up capital		
6,838,330 Ordinary shares of Rs.10 each fully paid up in cash	68,383,300	68,383,300
7,802,670 Ordinary shares of Rs.10 each issued as fully paid bonus shares	78,026,700	78,026,700
	<u>146,410,000</u>	<u>146,410,000</u>

5 LONG TERM FINANCING

	September 30, 2012	June 30, 2012
	Rupees	Rupees
Opening balance	180,000,000	-
Disbursement in the period / year	-	180,000,000
	180,000,000	180,000,000
Less: Repaid in the period / year	-	-
	180,000,000	180,000,000
Current portion		
Overdue installment	4,285,714	-
Amount payable within twelve month	27,321,428	17,946,428
Amount payable after 30 September 2013	148,392,858	162,053,572
	180,000,000	180,000,000
	-	-

These loans have been availed from financial institutions. Due to the pending litigations, but without subjudice to the Company's stance in the said litigation, the Company's financial arrangements with the banking companies and financial institutions are disputed and the Company will only make payments / adjustments of these finances after the amounts are reconciled with banks and financial institutions in accordance with the suit mentioned in note 10.1. In terms of provisions of International Accounting Standard (IAS) 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 quarter ending September 30, 2013 have been grouped in current portion of non-current liabilities.

6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	September 30, 2012	June 30, 2012
	Rupees	Rupees
Opening balance	18,969,781	39,178,099
Assets acquired during the year	-	-
	18,969,781	39,178,099
Less: Repaid during the year	(127,947)	(20,208,318)
	18,841,834	18,969,781
Current portion		
Overdue installment	6,012,554	2,875,957
Amount payable within twelve month	10,455,908	13,125,873
Amount payable after 30 September 2013	2,373,372	2,967,951
	18,841,834	18,969,781
	-	-

Due to the pending litigations, but without subjudice to the Company's stance in the said litigation, the Company's financial arrangements with the banking companies and financial institutions are disputed and the Company will only make payments / adjustments of these lease liabilities after the amounts are reconciled with banks and financial institutions in accordance with the suit as mentioned in note 10.1. In terms of provisions of International Accounting Standard (IAS) 1 'Presentation of Financial Statements', all lease liabilities under these finance agreements should be classified as current liabilities. Based on the above, instalments due after the quarter ending September 30, 2013 have been grouped in current portion of non-current liabilities.

7 TRADE AND OTHER PAYABLES

Trade and other payable include local LC payable and against foreign bills payable. These amounts are payable to various financial institution and these payables are overdue and disputed under litigation with banking companies / financial institutions as detailed in Note No. 10.1.

8 MARK UP ACCRUED ON LOANS

The company has not accounted for finance cost aggregating and approximate to Rs. 42,008,812/-, Rs. 6,110,745/- and Rs. 202,472/- on outstanding balances in respect of short term borrowings, long term financing and liabilities against assets subject to finance lease respectively after going into litigation with the banking companies and financial institutions. The aggregate amount of un accounted accrued markup / interest as at the period ended March 31, 2013 is approximately Rs. 106,030,571. The exact amount of un accounted markup cannot be ascertained as the due to the ongoing litigation, described in note 10.1, the banking companies and financial institutions havenot provided the relevant information / documents.

September 30, 2012	June 30, 2012
Rupees	Rupees

9 SHORT TERM BORROWINGS

Short term borrowings	9.1	1,224,883,412	1,230,298,928
Book overdraft	9.2	19,122,475	11,487,479
		<u>1,244,005,887</u>	<u>1,241,786,407</u>

9.1 These amounts are outstanding against various facilities availed from various banking companies and financial institutions. These facilities had expired during the period and were not renewed by the respective banks and financial institutions. The company has filed a suit in Honorable Lahore High Court jointly against financial institutions under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 for redemption / release of security, rendition of accounts, recovery of damages, permanent injunction and ancillary reliefs. Since the matter is subjudice in the Honorable Lahore High Court, the company has not acknowledged its liability until the amount of principal and mark up is reconciled with the financial institutions in accordance with the suit mentioned in note 10.1. The honorable Lahore high court vide its order, COS 134 of 2012 reference CM No 713-B of 2012 dated November 1, 2012 has ordered not to disturb the present position of current assets and fixed asset of the company.

9.2 This represents cheques issued by the company in excess of balance with banks which would have been presented for payments in subsequent period.

10 CONTINGENCIES AND COMMITMENTS**10.1 Contingencies**

The company has filed a suit in Honorable Lahore High Court jointly against financial institutions under section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 for redemption / release of security, rendition of accounts, recovery of damages, permanent injunction and ancillary reliefs. The Honorable Lahore High Court vide its order sheet dated October 23, 2012 has ordered not to disturb the present position of current assets and fixed assets of the company. Since the matter is subjudice in the Honorable Lahore High Court, the company has not acknowledged its liability until the amount of principal and mark up is reconciled with the financial institutions in accordance with the above mentioned suit. However, the liability in respect of principal outstanding is fully provided where as the mark up amounting to Rs. 145,380,371 is not provided in these financial statements due to the above stated reason. Some banking companies and financial institutions have filed suits for recovery, sale of stocks under charge and injunction against the company in different Banking Courts, Civil Courts and High Courts. The aggregate amount claimed in the suits against the company is Rs. 782,937,441 and permanent injunction. The company is strongly contesting its case before various courts. As per Legal Opinion, all the above matters are being contested by the Company on merits as well as various cogent factual and legal grounds available to the Company under law as reflected in the respective pleadings.

	September 30, 2012	June 30, 2012
	Rupees	Rupees
10.2 Bank guarantees issued on behalf of the company		
Sui Northern Gas Pipelines Limited	20,362,200	20,362,200
Director of Excise and Taxation	8,957,572	8,957,572
	<u>29,319,772</u>	<u>29,319,772</u>

10.3 There are no other material changes in contingencies as disclosed in the notes to the financial statements for the quarter ended September 30, 2012

10.4 Commitments

Commitment in respect of capital and other expenditure amounting to Rs. NIL (June 2012: Rs. NIL)

	September 30, 2012	June 30, 2012
	Rupees	Rupees
10.5 Bill discounted with recourse	-	186,235,758
	<u>-</u>	<u>186,235,758</u>

QUARTER ENDED

	September 30, 2012	September 30, 2011
	Rupees	Rupees
11 EARNINGS PER SHARE - BASIC AND DILUTED		
Earnings for the purpose of basic earnings per share	<u>(20,548,240)</u>	<u>(33,510,492)</u>
Number of shares		
Weighted average number of ordinary shares outstanding during the period	<u>14,641,000</u>	<u>14,641,000</u>
(Loss)/Earning per share- basic and diluted (Rupees per share)	<u>(1.40)</u>	<u>(2.29)</u>

	September 30, 2012	June 30, 2012
	Rupees	Rupees

12 CHANGES IN WORKING CAPITAL

Decrease / (increase) in stores, spare parts and loose tools	1,497,144	7,581,166
Decrease / (increase) in stock-in-trade	7,729,024	(203,740,092)
Decrease / (increase) in trade debts	10,437,204	(26,502,090)
Decrease / (increase) in loan and advances	(3,802,219)	8,549,447
Decrease / (increase) in deposits, short-term prepayments and other receivables	(97,195)	592,440
Decrease / (increase) in sales tax refundable	(969,150)	(2,378,262)
(Decrease) / increase in trade and other payables	(5,483,802)	(35,464,197)
	<u>9,311,006</u>	<u>(251,361,588)</u>

13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

	September 30, 2012	June 30, 2012
	<u>Rupees</u>	<u>Rupees</u>
Cash and bank balances	12,802,558	12,495,117
Book overdraft	(19,122,475)	(11,487,479)
	<u>(6,319,917)</u>	<u>1,007,638</u>

14 RELATED PARTY TRANSACTIONS

The related parties comprise holding company, subsidiaries and associated undertakings, companies with common directorship, other related group companies, directors of the company, key management personnel and post employment benefit plans.

	September 30, 2012	June 30, 2012
	<u>Rupees</u>	<u>Rupees</u>
Associated Companies transaction in the period		
Sales of goods and services	52,607,032	161,286,777
Purchases of goods and services	8,853,000	4,680,000
Processing charges	450,743	2,174,455
Remuneration to Key management personnel		
Remuneration and other benefits	1,100,382	2,200,764
Post employment benefits	3,025,204	3,025,204

15 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issue on September 06, 2013.

16 PRESENTATION

- All figures except June 30, 2012 figures appearing in the financial statements are unaudited.
- Figures have been rounded off to nearest Rupee.



Gulistan Spinning Mills Limited

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