

**THIRD QUARTERLY ACCOUNTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2016
(UN AUDITED)**

GULISTAN SPINNING MILLS LIMITED

GULISTAN SPINNING MILLS LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Muhammad Akhtar Mirza (Chairman) Mr. Sohail Maqsood (Chief Executive) Mr. Muhammad Ashraf Khan Mr. Maqsood ul Haq Mr. Ifrikhar Ali Mr. Abid Sattar Mr. Muhammad Yousaf
AUDIT COMMITTEE	Mr. Muhammad Yousaf (Chairman) Mr. Sohail Maqsood Mr. Abid Sattar
HR & REMUNERATION COMMITTEE	Mr. Ifrikhar Ali (Chairman) Mr. Sohail Maqsood Mr. Abid Sattar
CHIEF FINANCIAL OFFICER	Mr. Salman Ali Raza
COMPANY SECRETARY	Mr. Muhammad Saleem Raza
AUDITORS	M/s. Baker Tilly Mahmood Idriss Qamar Chartered Accountants Lahore
LEGAL ADVISOR	Akhter Javed-Advocate
TAX CONSULTANT	M/s. Sharif & Company-Advocate
BANKERS	United Bank Limited, MCB Bank, Standard Chartered Bank, KASB Bank, Allied Bank Limited, Habib Bank Limited, Bank of Punjab National Bank of Pakistan, Bank Al Falah, Bank of Khyber, Atlas Bank Ltd, Askari Commercial Bank, Dawood Islamic, Faysal Bank, J.S. Bank, Silk Bank, Soneri Bank, NIB Bank Ltd, HSBC Bank M/East
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, 11 Chundrigar Road, Karachi
REGIONAL OFFICE	2nd Floor, Garden Heights, RAibak Block, New Garden Town, Lahore
MILLS	Unit-II Jumber Khurd Tehsil Chunnian Dist. Kasur
WEB PRESENCE	http://www.gulistan.com.pk/corporate/gulistan.html

GULISTAN SPINNING MILLS LIMITED

Director's Report to Shareholders

The Directors of your Company are pleased to present unaudited financial statements of the Company for the nine month ended March 31, 2016.

Financial Results

Operating Indicators	Nine Month Ended 31.03.2016	Nine Month Ended 31.03.2015
	(Rupees)	(Rupees)
Sales	-	-
Gross (loss)/Profit	(22,228,496)	(59,270,150)
Pre Tax (loss)/Profit	(28,653,948)	(74,137,631)
Provision for Taxation	5,455,214	9,509,607
Earnings/(loss) Per Share	(1.58)	(4.41)

Overview:

The period under review has been proved incredibly challenging. Challenges like on-going financial barriers coupled with severe energy crises have obstructed the utilization of production capacities. Inaccessibility to working capital lines and inability to procure essential raw materials on time caused complete halt of production and repulsively wiped out Company's plan to achieve its targets which turned the sales to zero for this quarter.

The Management is conscious of the issues that are affecting our operations and are committed to plans to turn Company into profitable entity by taking serious decisions for better financial position, strengthening our operations through proficient acumen, improving manufacturing processes and offering better service to our customers.

The debt amortization profile, higher financial cost and associated liquidity problems have forced the company to mutate restructuring of its debt obligations subject to reconciliation of financial obligations to ensure continued timely discharge of its commitments to its lenders. 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 has agreed in principle to the restructuring process. 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 production and are committed to turn the Company into a profitable organization 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. In spite of continued load shedding, the management is trying to implement its best efforts to ensure regain its growth, operational efficiency and optimum results for the Company and its valued stakeholders. This impediment is expected to be over in near future as the restructuring process is expected to be completed soon once the ongoing reconciliation & restructuring process is completed, we would be in better position to embark upon timely better priced procurement of the required raw materials. To increase profitability and improve performance, wide ranging and significant measures are being implemented by the Company focusing on cost reduction and increase in margins.

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.

KARACHI
MARCH 22, 2018


SOHAIL MAQSOOD
CHIEF EXECUTIVE

GULISTAN SPINNING MILLS LIMITED
Condensed interim Balance Sheet (Un-audited)
As at March 31, 2016

Note	(UN-AUDITED)	(AUDITED)
	March 31, 2016	June 30, 2015
	----- Rupees -----	
ASSETS		
NON CURRENT ASSETS		
5	903,043,346	923,854,824
	14,224,647	13,769,021
	2,780,500	2,780,500
CURRENT ASSETS		
6	5,668,867	5,668,867
	93,522,390	93,522,390
	7,159,249	11,859,249
	464,126	464,126
	4,772,463	4,772,463
	2,396,379	13,676,707
	6,606,733	11,712,572
	6,081,573	6,439,467
	126,671,780	148,115,841
	<u>1,046,720,274</u>	<u>1,088,520,186</u>
SHARE CAPITAL AND RESERVES		
Authorised share capital		
	15,000,000 (2014: 15,000,000) Ordinary shares of Rs 10 each	
	<u>150,000,000</u>	<u>150,000,000</u>
	146,410,000	146,410,000
	24,983,168	24,983,168
	<u>(1,630,150,548)</u>	<u>(1,619,094,065)</u>
	(1,458,757,380)	(1,447,700,897)
	364,824,564	376,966,815
	103,000,000	103,000,000
NON CURRENT LIABILITIES		
7	74,818,341	74,818,341
	-	-
	151,910,597	158,336,023
CURRENT LIABILITIES		
8	440,725,139	460,592,818
9	32,757,726	25,586,995
10	1,145,656,447	1,145,119,665
7	186,715,781	186,715,781
	5,069,059	5,084,645
	1,810,924,152	1,823,099,904
CONTINGENCIES AND COMMITMENTS		
11		
	<u>1,046,720,274</u>	<u>1,088,520,186</u>

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


SOHAIL MAQSOOD
CHIEF EXECUTIVE


M. ARHTAR MIRZA
DIRECTOR

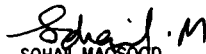
GULISTAN SPINNING MILLS LIMITED

Condensed interim Profit & Loss Account (Un-audited)

For the Nine Months Ended March 31, 2016

	Quarter ended		Ninemonths ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- Rupees -----			
Sales - net	-	-	-	-
Cost of sales	(7,371,373)	(19,269,909)	(22,228,496)	(59,270,150)
Gross loss	(7,371,373)	(19,269,909)	(22,228,496)	(59,270,150)
Other income	614,065	769,755	1,664,573	1,888,050
	(6,757,308)	(18,500,154)	(20,563,923)	(57,382,100)
Distribution cost	-	-	-	(1,117,373)
Administrative expenses	(509,750)	(578,152)	(1,131,638)	(10,092,513)
Other operating expenses	-	-	-	-
Finance cost	(2,419,750)	(1,665,918)	(6,954,388)	(5,545,645)
	(2,929,500)	(2,244,070)	(8,094,026)	(16,755,531)
	(9,686,808)	(20,744,224)	(28,653,948)	(74,137,631)
Share of loss of associates	-	-	-	-
Loss before taxation	(9,686,808)	(20,744,224)	(28,653,948)	(74,137,631)
Taxation				
- Current	-	-	-	-
- Deferred	-	3,356,332	5,455,214	9,509,607
	-	3,356,332	5,455,214	9,509,607
Loss for the period	(9,686,808)	(17,387,892)	(23,198,734)	(64,628,024)
Loss per share - basic and diluted	(0.66)	(1.19)	(1.58)	(4.41)

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


 SOHAIL MAQSOOD
 CHIEF EXECUTIVE


 M. AKHTAR MIRZA
 DIRECTOR

JLISTAN SPINNING MILLS LIMITED

Condensed interim Statement of Comprehensive Income (Un-audited)
for the Nine Months Ended March 31, 2016

Quarter ended		Nine month ended	
March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
----- Rupees -----			

Loss for the period

(9,686,808) (17,387,893) (23,198,734) (64,628,024)

Losses that may be reclassified to profit and loss account

Realised gain on available for sale investment

16,832

Net comprehensive loss for the period

(9,686,808) (17,387,893) (23,198,734) (64,611,192)

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


SOHAIL MAQSOOD
CHIEF EXECUTIVE


M.AKHTAR MIRZA
DIRECTOR