



**THIRD QUARTERLY ACCOUNTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2015
(UN-AUDITED)**

GULISTAN SPINNING MILLS LIMITED

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GULISTAN SPINNING MILLS LIMITED

Company Information

BOARD OF DIRECTORS	Mr. Sohail Maqsood Mr. Tanveer Ahmed Mr. Riaz Ahmed Mr. Maqsood-ul-Haq Mr. Iftikhar Ali Mr. Muhammad Yousaf Mr. Umer Hayat Gill	(Chairman) (Chief Executive)
AUDIT COMMITTEE	Mr. Iftikhar Ali Mr. Maqsood-ul-Haq Mr. Sohail Maqsood	(Chairman)
HR & REMUNERATION COMMITTEE	Mr. Maqsood-ul-Haq Mr. Tanveer Ahmed Mr. Sohail Maqsood	(Chairman)
CHIEF FINANCIAL OFFICER	Mr. Salman Ali Riaz	
COMPANY SECRETARY	Mr. Javaid Iqbal	
AUDITORS	M/s. Baker Tilly Mehmood Idrees Qamar Chartered Accountants Lahore.	
LEGAL ADVISOR	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.	
MILLS	Jumber Khurd Tehsil Chunnian Dist. Kasur	
WEB PRESENCE	http://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 nine month ended March 31, 2015.

Financial Results

Operating Indicators	Nine Month Ended 31 03 2015	Nine Month Ended 31 03 2014
	(Rupees)	(Rupees)
Sales	-	314,154,980
Gross (loss) / Profit	(59,270,150)	(53,422,752)
Pre Tax (loss) / Profit	(74,137,631)	(77,796,376)
Provision for Taxation	9,509,607	10,090,705
Earnings / (loss) Per Share	(4.41)	(4.62)

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 initiate 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
April 29, 2015

TANVEER AHMED
CHIEF EXECUTIVE

GULISTAN SPINNING MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2015

	Note	(UN-AUDITED)	(AUDITED)
		March 31, 2015	June 30, 2014
----- Rupees -----			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,492,844,301	1,531,854,852
Long-term investments		11,646,735	10,735,485
Long-term deposits		2,780,500	2,780,500
CURRENT ASSETS			
Stores, spare parts and loose tools		11,337,736	11,666,336
Stock in trade	6	232,264,378	232,264,378
Trade debts		23,037,535	23,037,535
Loan and advances		1,760,261	5,989,346
Trade deposits, prepayments and other receivables		4,816,426	12,081,245
Markup accrued		13,743,175	13,052,447
Tax refunds due from Government		13,536,096	13,575,158
Cash and bank balances		6,531,583	5,325,857
		307,027,190	316,992,301
		1,814,298,726	1,862,363,138
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 (2014: 15,000,000) Ordinary shares of Rs. 10 each		150,000,000	150,000,000
Issued, subscribed and paid up share capital		146,410,000	146,410,000
Reserves		24,998,903	24,998,903
Unappropriated loss		(1,435,891,899)	(1,390,272,121)
		(1,264,482,996)	(1,218,863,218)
Surplus on revaluation of property, plant and equipment		758,034,762	777,043,007
NON CURRENT LIABILITIES			
Long-term financing	7	-	-
Long-term loan from directors/sponsors		177,818,341	177,818,341
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		322,010,915	340,273,708
CURRENT LIABILITIES			
Trade and other payables	8	451,964,404	423,211,210
Accrued markup / interest	9	22,956,769	16,841,346
Short-term borrowings	10	1,152,975,569	1,147,576,253
Current portion of:			
- long-term financing	7	171,428,572	171,428,572
- liabilities against assets subject to finance lease		15,287,209	17,199,239
Provision for taxation		6,305,183	9,834,681
		1,820,917,704	1,786,091,300
CONTINGENCIES AND COMMITMENTS			
	11	1,814,298,726	1,862,363,138

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

Tanveer Ahmed
Chief Executive

Sohail Maqsood
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN - AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	Quarter ended		Nine months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
----- Rupees -----				
Sales - net	-	50,569,654	-	314,154,980
Cost of sales	(19,269,909)	(77,838,350)	(59,270,150)	(367,577,732)
Gross loss	(19,269,909)	(27,268,696)	(59,270,150)	(53,422,752)
Other income	769,755	248,171	1,888,050	1,378,979
	(18,500,154)	(27,020,525)	(57,382,100)	(52,043,773)
Distribution cost	-	-	(1,117,373)	(320,478)
Administrative expenses	(578,152)	(7,543,029)	(10,092,513)	(21,061,545)
Other operating expenses	-	-	-	(3,425,175)
Finance cost	(1,665,918)	(104,808)	(5,545,645)	(915,677)
	(2,244,070)	(7,647,837)	(16,755,531)	(25,722,875)
	(20,744,224)	(34,668,362)	(74,137,631)	(77,766,648)
Share of loss of associates	-	-	-	(29,728)
Loss before taxation	(20,744,224)	(34,668,362)	(74,137,631)	(77,796,376)
Taxation				
- Current	-	-	-	-
- Deferred	3,356,332	3,363,569	9,509,607	10,090,705
	3,356,332	3,363,569	9,509,607	10,090,705
Loss for the period	(17,387,892)	(31,304,794)	(64,628,024)	(67,705,671)
Loss per share - basic and diluted	(1.19)	(2.14)	(4.41)	(4.62)

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

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	Quarter ended		Nine month ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	----- Rupees -----			
Loss for the period	(17,387,892)	(31,304,794)	(64,628,024)	(67,705,671)
Items that may be reclassified to profit and loss account				
Un-realised gain on available for sale investment	-	-	-	16,832
Total comprehensive loss for the period	(17,387,892)	(31,304,794)	(64,628,024)	(67,688,839)

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

**CONDENSED INTERIM CASH FLOW STATEMENT (UN - AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	NOTE	March 31, 2015	March 31, 2014
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(74,137,631)	(77,796,376)
Adjustments for:			
Depreciation on property, plant and equipment		38,637,543	40,952,765
Provision for staff retirement benefits - gratuity		3,060,000	4,500,000
Share of loss of associates		-	29,728
Finance cost		5,545,645	915,677
Gain on sale of fixed assets		(668,066)	
Interest income		(308,644)	(467,729)
Markup accrued on defence saving certificates		(911,250)	(911,250)
Cash flows before changes in working capital		(28,782,402)	(32,777,185)
Changes in working capital	12	40,614,759	50,836,988
Cash generated from operations		11,832,357	18,059,803
Finance cost paid		(569,778)	(915,677)
Gratuity paid		(11,813,185)	(5,102,913)
Income taxes paid		(173,165)	(1,687,162)
		(12,556,128)	(7,705,753)
Net cash generated from operating activities		(723,771)	10,354,051
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(5,815,056)
Sale Proceed of Fixed Assets		1,086,294	-
Markup received		712,250	191,532
Net cash generated from / (used in) investing activities		1,798,544	(5,623,524)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance lease		(1,912,030)	(396,158)
Increase short-term borrowings - net		-	832,383
Net cash (used in) / generated from financing activities		(1,912,030)	436,225
Net increase in cash and cash equivalents		(837,258)	5,166,752
Cash and cash equivalents at beginning of the period		2,245,346	6,593,598
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1,408,088	11,760,350

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

Tanveer Ahmed
Chief Executive

Sohail Maqsood
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN - AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	Reserves			Total	
	Capital	Unrealized Gain/(Loss) on remeasurement of available for sale investment	Revenue		
	Share Premium	on remeasurement of available for sale investment	Unappropriated profit		
----- Rupees -----					
Balance as at July 01, 2013 - restated	146,410,000	25,000,000	-	(1,387,750,818)	(1,216,340,818)
Total comprehensive loss for the period	-	-	-	(36,384,044)	(36,384,044)
Transfer from share of surplus on revaluation of property, plant and equipment of associates on account of disposal of investment - net of tax	-	-	-	326,527	326,527
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	1,232,850	1,232,850
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	13,058,559	13,058,559
Balance as at December 31, 2013 - restated	146,410,000	25,000,000	-	(1,409,516,926)	(1,238,106,926)
Balance as at July 01, 2014	146,410,000	25,000,000	(1,097)	(1,390,272,121)	(1,218,863,218)
Transfer from share of surplus on revaluation of property, plant and equipment of associates on account of disposal of investment - net of tax	-	-	-	-	-
Share from associates of incremental depreciation - net of tax	-	-	-	-	-
Share of revaluation of property, plant and equipment realized on disposal of equity instruments	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	19,008,246	19,008,246
Total comprehensive loss for the period	-	-	-	(64,628,024)	(64,628,024)
Balance as at December 31, 2014	146,410,000	25,000,000	(1,097)	(1,435,891,899)	(1,264,482,996)

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

Tanveer Ahmed
Chief Executive

Sohail Maqsood
Director

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 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.
- 1.2 During the period ended March 31, 2015 the Company has incurred a net loss after tax of Rs. 67,984 million and as on the said date its current liabilities exceed its current assets by Rs. 1,513.89 million and its accumulated loss compute to Rs. 1,445.763 million. As fully explained in note 14.1.1 of these financial statement the Company is in litigation with several banking companies and financial institutions, as a consequence these banking companies and financial institutions have blocked and curtailed the working capital lines of the Company and froze the funds in bank accounts, rendering the Company not being able to operate in its normal course due to the liquidity crisis and has resulted in losses. These conditions along with adverse key financial ratios and the pending litigations with the banking companies and financial institutions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements, however, have been prepared under the going concern assumptions based on the following mitigating factors:
- (a) the management of the Company is negotiating an amicable settlement of the pending litigations with the banking companies and financial institutions. Series of meetings in this regards have also been held and the matter is being persuaded aggressively with the banks and financial institutions. The Company has elected Faysal Bank Limited as the restructuring agent and also has signed an indicative term sheet engulfing the principal terms and conditions of the restructuring with the said banking companies and financial institutions. As per the signed indicative term sheet the banking companies and financial institutions will release the blocked working capital lines and raw material in order to run the operations smoothly;
 - (b) the management has made arrangements whereby third party cotton is being processed against processing fee for utilization of unutilized capacity in spinning segment;
 - (c) the management has also undertaken adequate steps towards the reduction of fixed cost and expenses which are at various stages of implementation. Such steps include, but not limited to, rightsizing of the man power, resource conservation, close monitoring of other fixed cost etc. The management is certain to generate sufficient savings as consequences of adapting all such measures;
 - (d) the management expects equity injection from the sponsoring directors and detailed plans about the timing and magnitude of the equity injection have been submitted to the banking companies and financial institutions. The management believes of this equity injection will help the Company in overcoming the current working capital deficit and will assist in finalisation of these structuring / rescheduling plans;

The management anticipates that above steps will not only bring the Company out of the existing financial crisis but also contribute significantly towards the improvement of the Company's financial position in the foreseeable future;

2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard (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 for the year ended 30 June, 2014.

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.

- 2.2 This condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the selected notes for the half year ended December 31, 2014 which have been subject to a review but not audited. This condensed interim financial information also include condensed interim profit and loss statement for the quarter ended December 31, 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation which have been used in the preparation of these condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2014.
- 3.2 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.

4 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 recognised 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, 2014.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2014.

5 PROPERTY, PLANT AND EQUIPMENT

	March 31, 2015		June 30, 2014	
	Additions	Disposals	Additions	Disposals
Owned Assets	----- Cost in Rupees -----			
Plant and machinery	-	-	-	-
Electric installations	-	-	1,842,284	-
Factory equipment	-	-	410,000	-
Office equipments	-	-	90,049	-
Furniture and fixtures	-	-	-	560,000
Vehicles	-	373,008	-	-
	<u>-</u>	<u>373,008</u>	<u>2,342,333</u>	<u>560,000</u>

6 STOCK IN TRADE

The entire stock except stock in transit are under charge with banks. Stocks were charged with financial institutions along with all other securities as explained at note 12. Further as explained in note 14.1.1 of the financial statements several banking companies and financial institutions have filed recovery suits against the Company. These banking companies and financial institutions, amongst other pleas, have pleaded that the charged stock in trade be disposed and the financial arrangements with the said banking companies and financial institutions be settled by the proceeds as such realised. The ownership of the charged stock is disputed and will only be ascertained upon decision of the Honorable Courts. The legal counsel of the Company is of the opinion that the case pending adjudication are being contested on merits as well as various cogent factual and legal grounds. An amicable settlement of the case with the banking companies and financial institutions is currently being pursued, without prejudice to the respective contentions. The management of the Company is pressing the said banking companies and financial institutions for the restructuring / rescheduling of credit facilities and expects the same to be restructured / rescheduled in due course.

7 LONG-TERM FINANCING

Due to the pending litigations, but without sub-judice 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 14.1.1. 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 period ending December 31, 2014 have been grouped in current portion of non-current liabilities.

8. TRADE AND OTHER PAYABLES

Trade and other payables include local LCs payable of Rs. 110,830,493 (June 30, 2014: Rs. 110,830,493) and against foreign bills payable of Rs. 53,946,422 (June 30, 2014: Rs. 53,946,422). These amounts are payable to various financial institutions and these payables are overdue and disputed under litigation with banking companies / financial institutions as detailed in note no. 14.1.1. The Company has not accounted for any further commission / interest / markup or penalty in respect of these LCs and bills payable. Furthermore, information / records were not made available by the banking companies and financial institutions to confirm the period end balances of the outstanding amounts.

9. ACCRUED MARKUP / INTEREST

As explained in note 14.1.1 several banking companies and financial institutions have filed recovery suits against the Company. Since the financial arrangements of the Company with these banking companies and financial institutions are disputed, the Company has not provided for the mark-up / interest to the extent of and approximate to Rs. 108,485,468 (June 30, 2014: Rs. 148,122,052), Rs. 16,303,268 (June 30, 2014: Rs. 38,734,620) and Rs. 38,180 (June 30, 2014: Rs. 88,931) on outstanding balances in respect of short term borrowings, long term financing and liabilities against assets subject to finance lease respectively. The exact amount of unaccounted markup cannot be ascertained as the due to the ongoing litigation, several banking companies and financial institutions have not provided the relevant information / documents furthermore the banking companies and financial institutions were not available for confirmation of these balances.

10 SHORT-TERM BORROWINGS	Note	March 31,	June 30,
		2015	2014
		----- Rupees -----	
Short-term borrowings	10.1	1,144,495,742	1,144,495,742
Book overdraft	10.2	8,479,827	3,080,511
		1,152,975,569	1,147,576,253

10.1 As explained in note 14.1.1 several banking companies and financial institutions have filed recovery suits against the Company for the outstanding balances. The legal counsel of the Company is of the opinion that the case pending adjudication are being contested on merits as well as various cogent factual and legal grounds, however the liability in respect of principal outstanding is fully provided. An amicable settlement of the case with the banking companies and financial institutions is currently being pursued, without prejudice to the respective contentions. The management of the Company is pressing the said banking companies and financial institutions for the restructuring / rescheduling of these loans and expects the loans to be restructured / rescheduled in due course. As at the year end the various finance facilities available to the Company have expired and may only be re-negotiated in line with the on going restructuring / rescheduling with the banking companies and financial institution and the decision of the honorable courts. However, as at the year end banking companies and financial institutions have not provided confirmations amounting to Rs. 1,144,495,742 (June 30, 2014: Rs. 718,379,410) for reconciliations of the outstanding balances.

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

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 Banking companies and financial institutions including Silk Bank Limited, Habib Bank Limited, KASB Bank Limited, Burj Bank Limited, Askari Bank Limited and others have filed suits for recovery, sale of stock in trade 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. 1,750,851,496/- (June 30, 2014: Rs. 1,750,851,496/-) 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. However, the liability in respect of principal outstanding is fully provided where as the markup amounting to Rs. 497,370,003/- is not provided in these financial statements due to the above stated reason.

11.1.2 The Company has filed a suit in Honorable Lahore High Court jointly against several banking companies and 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, reference C.M No. 1-C of 2013, dated November 27, 2013 has ordered not to disturb the present position of current assets and fixed assets of the Company.

	March 31, 2015	June 30, 2014
	----- Rupees -----	
11.1.3 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
	29,319,772	29,319,772

11.1.4 There are no other material changes in contingencies as disclosed in the notes to the financial statements for the year ended June 30, 2014.

11.2 Commitments

There were no capital commitments as on balance sheet date.

	March 31, 2015	March 31, 2014
	----- Rupees -----	
12 CHANGES IN WORKING CAPITAL		
Decrease in stores, spare parts and loose tools	328,600	256,500
Increase in stock-in-trade	-	(290,844)
Decrease in trade debts	-	(1,399,572)
Decrease / (increase) in loan and advances	4,229,085	1,763,492
Decrease in deposits, short-term prepayments and other receivables	7,264,819	208,123
Decrease in sales tax refundable	39,062	710,828
Increase in trade and other payables	28,753,194	49,588,461
	40,614,759	50,836,988

13 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.

Transactions with associated companies

Sales of goods and services	-	15,696,201
Purchases of goods and services	-	203,793
Processing charges	-	-

Remuneration to key management personnel

Remuneration and other benefits	1,639,692	2,358,426
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14 APPROVAL OF FINANCIAL INFORMATION

The financial information were approved by the board of directors and authorised for issue on 29 April 2015.

15 GENERAL

Figures have been rounded off to nearest Rupee.

Tanveer Ahmed
Chief Executive

Sohail Maqsood
Director



GULISTAN SPINNING MILLS LIMITED
2nd Floor, Finlay House, I.I. Chundigar Road, karachi - Pakistan.