



Gulistan Spinning Mills Limited

1st Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore, Pakistan.
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26 February 2014

The General Manager
Karachi Stock Exchange (G) Ltd
Stock Exchange Building
Stock Exchange Road
Karachi

SUB: FINANCIAL RESULTS FOR THE HALF YEAR ENDED DECEMBER 31, 2013

Dear Sir

We have to inform you that the Board of Directors of our Company in their meeting held on Wednesday, February 26, 2014 at 05:00 P.M. at the Lahore Office of the Company at 2nd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore, recommend the following:

- | | | |
|-------|----------------------|------------|
| (i) | CASH DIVIDEND | NIL |
| (ii) | BONUS SHARES | NIL |
| (iii) | RIGHT SHARES | NIL |

The Financial Results of the Company are as follows:

Gulistan Spinning Mills Limited				
	Quarter ended		Six months ended	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
	RUPEES	RUPEES	RUPEES	RUPEES
Sales - net	190,090,123	118,226,736	263,585,326	412,419,494
Cost of sales	200,808,241	148,309,916	289,739,382	447,268,266
Gross (Loss)/Profit	(10,718,118)	(30,083,180)	(26,154,056)	(34,848,772)
Selling and distribution expenses	320,478	3,293,003	320,478	7,634,197
Administrative and general expenses	6,624,611	12,876,222	13,518,515	20,492,360
Other operating expenses	3,408,785	1,705,460	3,425,175	1,827,460
Net other income	596,550	545,806	1,130,809	1,144,892
Operating (loss) / profit	(20,475,442)	(47,412,059)	(42,287,415)	(63,657,897)
Finance cost	698,437	4,274,550	810,868	7,532,075
Share of (loss) / profit of associated companies	(29,728)	1,365,762	(29,728)	(2,311,886)
(Loss)/Profit before Taxation	(21,203,609)	(50,320,847)	(43,128,013)	(73,501,858)
Taxation	(3,264,640)	(3,345,861)	(6,727,136)	(5,978,632)
(Loss)/Profit after taxation	(17,938,968)	(46,974,986)	(36,400,878)	(67,523,226)
(Loss)/Earnings per share	(1.23)	(3.21)	(2.49)	(4.61)

The auditors have issued qualified opinion on the following matters :

Due to pending litigations in the court mark-up / interest has not been accrued and balance confirmation letters from financial institutions have not been received.

Auditors in their report have also drawn attention to the following matter :

The auditors in their audit report without qualifying their opinion have drawn attention to the financial statements that due to net losses, net current liabilities position and uncertainty related to the outcome of the law suits filed by and against the company indicate existence of material uncertainty about its ability to continue as a going concern. These financial statements have been prepared on going concern basis on the assumptions as detailed in financial statements.

We will be sending you 300 copies of printed audited accounts for distribution amongst the members of the Exchange separately.

Yours Faithfully,
For Gulistan Spinning Mills Limited

Javajid Iqbal
COMPANY SECRETARY

