

**GULSHAN SPINNING MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2005**

	Share Capital	Share Premium	General Reserves	Un- appropriated Profit	Share Holders Equity
Balance as at 01-10-04	126,500,000	66,000,000	206,000,000	132,246,783	530,746,783
Profit for the year	-	-	-	39,021,370	39,021,370
Dividend for the year 2004				(9,487,500)	(9,487,500)
Balance as at 30-06-05	126,500,000	66,000,000	206,000,000	161,780,653	560,280,653
Balance as at 01-07-05	126,500,000	66,000,000	206,000,000	161,780,653	560,280,653
Profit / (loss) for year	-	-	-	4,723,612	4,723,612
Balance as at June 30, 2005	<b>126,500,000</b>	<b>66,000,000</b>	<b>206,000,000</b>	<b>166,504,265</b>	<b>565,004,265</b>

The annexed notes form an integral part of these accounts.

**NOTES TO THE ACCOUNTS (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2005**

**1. INTRODUCTION**

Gulshan Spinning Mills Limited (the Company) was incorporated as a Public Limited Company and its shares are listed on Karachi and Lahore Stock Exchanges in Pakistan. The Company is principally engaged in manufacture and sale of yarn.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of the financial statements for the period ended 30 September, 2005 are the same as those applied in the preparation of the nine months annual audited financial statements for the ended June 30, 2005.

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 and the International Financial Reporting (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan. Wherever the requirements of the Companies Ordinance, 1984 or the directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of this standard, the requirements of the Companies Ordinance, 1984 or their requirements of the said directives take the precedence.

**3. PRESENTATION**

All amounts have been rounded off to the nearest rupee.  
All figures appearing in the financial statements except 30 June, 2005 figures are un-audited.

**4. OPERATING FIXED ASSETS**

Additions

**Owned:**

Building

Electric installation

Plant & machinery

Furniture & fixtures

Mill Equipments

Office Equipments

**30 SEP. 2005**

**RUPEES**

**735,299**

**682,960**

**9,142,703**

**795,821**

**4,237,557**

**45,600**

**15,640,049**