

**Gulistan Spinning Mills Limited**  
**Directors Report**  
**For the 1st quarter ended**  
**30<sup>th</sup> September 2010**

Dear Shareholders  
Assalam o Alaikum

Your Directors are pleased to present financial statements for the first quarter ended on 30<sup>th</sup> September 2010.

**Financial Performance:**

During the quarter under review the operational results of the Company are provided below;

	<b>30-09-2010</b>	<b>30-09-2009</b>
Sales	455,427,832	415,572,121
Gross Profit	82,336,125	63,308,548
Pre Tax Profit	23,731,641	3,961,216
After Tax Profit	19,177,183	1,833,852
Earning Per Share	<b>1.30</b>	<b>0.13</b>

The above figures depicts that during the period under review the performance of the Company particularly the sales remained satisfactory.

**Future Outlook:**

Pakistan has faced most destructive flood of its history that has adversely effected the positive expectations regarding cotton crop. On the arrival of the new crop the prices were Rs.6,000/- per maund. Which have currently gone upto Rs.8,500/- per mound. No doubt the present yarn prices round the world have also increased to absorb the increase of its input i.e. cotton but it cannot be said as to how long this position would prevail. Paucity of Gas in Pakistan which hamper the industrial production is well know but presently its scarcity has reached to such an extent that in this winter season we apprehend drastic load shedding which would be deterrent to our production programme and thereby may adversely effect on the over all performance of the Company.

Inspite of the present unpredictable circumstances the Management to the best of its vision making all out efforts to increase company's efficiency and profit margins by achieving the maximum production with market acceptance.

**Acknowledgement:**

With thanks we place on record the continued support extended to us by our customer, supplier and bankers. The valuable services rendered by our dedicated team of employees are placed on record.

For and on behalf of the Board of Directors

**(Tanveer Ahmed)**  
Chief Executive