

**GLAMOUR TEXTILE MILLS LIMITED**

**DIRECTORS' REPORT**

On behalf of the board of directors, I take pleasure to present interim financial statements for the half year ended December 31, 2015.

The financial results are summarized as under:

	Quarter Ended		Half Year Ended	
	December 31, 2015 Rupees	December 31, 2014 Rupees	December 31, 2015 Rupees	December 31, 2014 Rupees
<b>Sales</b>	438,160,098	762,610,885	1,031,126,975	1,368,535,137
<b>Gross profit/(loss)</b>	(22,657,406)	43,509,613	(27,697,674)	63,751,229
<b>Profit/(Loss) before taxation</b>	(49,137,951)	12,709,980	(85,540,012)	2,403,171
<b>Profit/(loss) after tax</b>	(51,461,843)	21,239,445	(86,537,930)	5,273,340
<b>Earning per share</b>	(1.93)	0.80	(3.25)	0.20

During the current half year sales revenue of your company registered declining trend and dropped by 24.65% against the corresponding period. Due to high energy cost, cotton crop failure and reduction of demand collectively played havoc with textile industry. The negative growth of sales have compelled your company to operate well below installed capacity which adversely increase cost of production. The gross profit ratio of current half year period is 2.69 % as compared to 4.66% in the corresponding period. The price of cotton consumed during the half year at Rs.5,223/= per maund as to compare to Rs.5663/= per maund same period last year thus showing a decrease of 7.77%.

The distribution expenses are dropped by 52.52% over the corresponding period to Rs.14.988 million from Rs. 31.569 million. The Administrative expenses are increased by 11.51% as compare to corresponding period last year to Rs.12.290 million from Rs. 11.015 million. Whereas financial expenses decreased by 27.52% over the same period last year to Rs.28.500 million from Rs. 39.324 million.

The management of company is expecting better results from remaining period of current financial year if our government takes any imitative to strengthen textile industry by allocating some resources for cheap electricity and subsidy on export of yarn.

The Directors of your Company wish to thankful to the Banks for the financial support and co-operation they have extended to the company. The Directors would like to express their appreciation for the dedication and hard work of the workers, staff and members of management team.

For and on behalf of Board of Directors

**GLAMOUR TEXTILE MILLS LTD.,**

**AZHER ELAHI,**

Chief Executive

Lahore, Saturday, February 27, 2016

## MUSHTAQ & CO.

### CHARTERED ACCOUNTANTS

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Member of



Illinois, USA

## Auditor's Report to the Members on Review of Condensed Interim Financial Information

### Introduction

We have reviewed the accompanying condensed interim balance sheet of **Glamour Textile Mills Limited** as at December 31, 2015, and the related 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 notes forming part thereof (herein-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2015 and December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

### Scope of Review

We conducted our review in accordance with international standard on review engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

karachi:  
Date: 27-02-2016

**GLAMOUR TEXTILE MILLS LIMITED**

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

	<b>Note</b>	<b>Un-audited December 31, 2015 Rupees</b>	<b>Audited June 30, 2015 Rupees</b>
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	5	<b>1,053,474,100</b>	1,093,152,087
Long term deposits		<b>5,767,739</b>	5,767,739
		<b>1,059,241,839</b>	1,098,919,826
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		<b>54,532,048</b>	47,703,485
Stock in trade		<b>292,291,274</b>	296,508,935
Trade debts		<b>84,867,824</b>	131,203,207
Loans and advances		<b>40,251,979</b>	28,546,026
Trade deposits and short term prepayments		<b>4,563,097</b>	157,001
Tax refunds due from Government		<b>79,460,711</b>	73,242,157
Cash and bank balances		<b>8,372,092</b>	9,953,849
		<b>564,339,025</b>	587,314,660
		<b>1,623,580,864</b>	1,686,234,486
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
27,000,000 (June 30, 2015 : 27,000,000)		<b>270,000,000</b>	270,000,000
Ordinary shares of Rs. 10 each			
<b>Issued, subscribed and paid up capital</b>			
26,640,000 (June 30, 2015 : 26,640,000)		<b>266,400,000</b>	266,400,000
Ordinary shares of Rs. 10 each fully paid in cash		<b>30,393,402</b>	111,413,143
Unappropriated profit		<b>296,793,402</b>	377,813,143
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
		<b>283,722,508</b>	289,240,697
<b>NON CURRENT LIABILITIES</b>			
Long term financing from banking companies		<b>90,293,967</b>	115,711,271
Long term financing from directors and associates		<b>172,077,912</b>	162,708,358
<b>DEFERRED LIABILITIES</b>			
Staff retirement benefits - gratuity		<b>27,209,569</b>	26,486,299
Deferred taxation		<b>53,120,617</b>	55,485,555
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>121,801,288</b>	130,688,916
Accrued mark up / interest		<b>6,008,022</b>	7,879,885
Short term borrowings	6	<b>515,544,986</b>	461,123,014
Current portion of long term financing		<b>53,645,737</b>	59,097,348
Provision for taxation		<b>3,362,856</b>	-
		<b>700,362,889</b>	658,789,163
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	<b>1,623,580,864</b>	1,686,234,486

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

Lahore:  
Saturday February, 27, 2016

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CHIEF EXECUTIVE

DIRECTOR

**GLAMOUR TEXTILE MILLS LIMITED**

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2015**

Note	Quarter ended		Half year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Rupees	(Restated) Rupees	Rupees	(Restated) Rupees
Sales	<b>438,160,098</b>	762,610,885	<b>1,031,126,975</b>	1,368,535,137
Cost of sales	<b>(460,817,504)</b>	(719,101,272)	<b>(1,058,824,649)</b>	(1,304,783,908)
<b>Gross profit/(Loss)</b>	<b>(22,657,406)</b>	43,509,613	<b>(27,697,674)</b>	63,751,229
Other income	<b>10,485</b>	20,561,560	<b>10,485</b>	20,561,560
Distribution cost	<b>(4,122,133)</b>	(22,324,847)	<b>(14,988,418)</b>	(31,569,358)
Administrative expenses	<b>(5,771,719)</b>	(5,803,620)	<b>(12,290,732)</b>	(11,015,804)
Other operating expenses	<b>(2,072,741)</b>	-	<b>(2,072,741)</b>	-
Finance cost	<b>(14,524,437)</b>	(23,232,726)	<b>(28,500,932)</b>	(39,324,456)
<b>Profit/(Loss) before taxation</b>	<b>(49,137,951)</b>	12,709,980	<b>(85,540,012)</b>	2,403,171
Taxation	<b>(2,323,892)</b>	8,529,465	<b>(997,918)</b>	2,870,169
<b>Profit / (loss) for the period</b>	<b>(51,461,843)</b>	21,239,445	<b>(86,537,930)</b>	5,273,340
Earnings / (loss) per share - basic and diluted	<b>(1.93)</b>	0.80	<b>(3.25)</b>	0.20

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

Lahore:  
Saturday February, 27, 2016

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CHIEF EXECUTIVE

DIRECTOR

**GLAMOUR TEXTILE MILLS LIMITED**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2015**

	<b>Quarter ended</b>		<b>Half year ended</b>	
	<b>December 31, 2015</b>	December 31, 2014	<b>December 31, 2015</b>	December 31, 2014
	<b>Rupees</b>	Rupees (Restated)	<b>Rupees</b>	Rupees (Restated)
Profit / (loss) for the period	<b>(51,461,843)</b>	21,239,445	<b>(86,537,930)</b>	5,273,340
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>(51,461,843)</b>	<b>21,239,445</b>	<b>(86,537,930)</b>	<b>5,273,340</b>

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

Lahore:  
Saturday February, 27, 2016

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CHIEF EXECUTIVE

DIRECTOR

**GLAMOUR TEXTILE MILLS LIMITED**

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	<b>Half year ended</b>	
	<b>December 31, 2015</b>	December 31, 2014 (Restated)
	<b>(Rupees)</b>	
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	<b>(85,540,012)</b>	2,403,171
<i>Adjustments for:</i>		
Depreciation	<b>42,687,240</b>	36,028,829
Provision for staff retirement benefits - gratuity	<b>5,391,570</b>	4,198,600
Gain on disposal of property, plant and equipment	<b>(10,485)</b>	-
Finance cost	<b>28,500,932</b>	39,324,456
Notional income on interest free loans from directors and associates	-	(20,561,560)
<b>(Loss) / profit before changes in working capital</b>	<b>(8,970,755)</b>	61,393,496
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	<b>(6,828,563)</b>	(8,826,480)
Stock in trade	<b>4,217,661</b>	(432,459,805)
Trade debts	<b>46,335,383</b>	(29,966,186)
Loans and advances	<b>(11,705,953)</b>	(50,210,134)
Trade deposits and short term prepayments	<b>(4,406,096)</b>	(3,065,134)
Tax refunds due from Government	<b>358,831</b>	(10,418,078)
<i>Increase in current liabilities</i>		
Trade and other payables	<b>(8,887,628)</b>	145,747,490
	<b>19,083,635</b>	(389,198,327)
<b>Cash generated / (used) in operations</b>	<b>10,112,880</b>	(327,804,831)
<i>Payments for :</i>		
Finance cost paid	<b>(21,003,241)</b>	(24,886,388)
Staff retirement benefits - gratuity paid	<b>(4,668,301)</b>	(2,107,927)
Taxes paid	<b>(6,577,384)</b>	(10,923,402)
	<b>(32,248,926)</b>	(37,917,717)
<b>Net cash used in operating activities</b>	<b>(22,136,046)</b>	(365,722,548)
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment acquired	<b>(3,148,768)</b>	(129,555,219)
Sale proceed of fixed assets	<b>150,000</b>	-
<b>Net cash used in investing activities</b>	<b>(2,998,768)</b>	(129,555,219)
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing repayments	<b>(30,868,915)</b>	104,092,192
Short term borrowings	<b>54,421,972</b>	389,734,578
<b>Net cash from financing activities</b>	<b>23,553,057</b>	493,826,770
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(1,581,757)</b>	(1,450,997)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>9,953,849</b>	12,561,160
<b>Cash and cash equivalents at the end of the period</b>	<b>8,372,092</b>	11,110,163

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

**GLAMOUR TEXTILE MILLS LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	<b>Share capital</b>	<b>Unappropriated profit (Rupees)</b>	<b>Total</b>
<b>Balance as at July 01, 2014</b>	266,400,000	96,998,771	363,398,771
Effect of retrospective application of change in an accounting policy	-	62,312,017	62,312,017
<b>Balance as at July 01, 2014 - as restated</b>	266,400,000	159,310,788	425,710,788
Total comprehensive income for the period	-	5,273,340	5,273,340
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation	-	5,827,313	5,827,313
<b>Balance as at December 31, 2014 as restated</b>	266,400,000	170,411,441	436,811,441
<b>Balance as at July 01, 2015</b>	266,400,000	111,413,143	377,813,143
Total comprehensive loss for the period	-	(86,537,930)	(86,537,930)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation - net of tax	-	5,518,189	5,518,189
<b>Balance as at December 31, 2015</b>	<b>266,400,000</b>	<b>30,393,402</b>	<b>296,793,402</b>

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

Lahore:  
Saturday February, 27, 2016

8      CHIEF EXECUTIVE      DIRECTOR

## GLAMOUR TEXTILE MILLS LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

#### 1 LEGAL STATUS AND ACTIVITIES

The company was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 in 1991 and is listed at the Pakistan stock exchanges. Registered office of the company is situated at 11 K.M., Manga - Raiwind Road, District Kasur. The principal business of the company is to manufacture and sale of yarn/cloth.

#### 2 BASIS OF PREPARATION

##### 2.1 Statement of compliance

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 June 30, 2015.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Pakistan Stock Exchanges and section 245 of the Companies Ordinance, 1984.

This condensed interim financial information 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 notes for the half year ended December 31, 2015 which have been subject to a review but not audited. This condensed interim financial information also include the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2015.

#### 3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2015.

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

4.1 The preparation of this 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 this condensed interim financial information are the same as those that were applied to the financial statements for the year ended June 30, 2015.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2015.

#### 5 PROPERTY, PLANT AND EQUIPMENT

	Note	December 31, 2015	June 30, 2015
(Rupees)			
<b>5.1 Operating assets - owned</b>			
Operating assets - owned	5.1	1,053,474,100	1,079,921,495
Capital work in progress - at cost		-	13,230,592
		<b>1,053,474,100</b>	<b>1,093,152,087</b>
<b>5.1 Operating assets - owned</b>			
Opening written down value		1,079,921,495	786,800,109
Additions during the period / year	5.2	16,379,360	374,220,881
		<b>1,096,300,855</b>	1,161,020,990
Disposals during the period / year	5.2	(139,515)	-
Depreciation during the period / year		(42,687,240)	(81,099,495)
Closing written down value		<b>1,053,474,100</b>	<b>1,079,921,495</b>



**GLAMOUR TEXTILE MILLS LIMITED**

	December 31, 2015		June 30, 2015
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(Rupees)

**5.2 Additions and disposals during the period / year**

	Additions	Disposals	Additions	Disposals
Building	-	-	56,123,500	-
Plant and machinery	16,379,360	-	313,362,714	-
Furniture and fixture	-	-	989,978	-
Vehicles	-	(139,515)	3,744,689	-
	<b>16,379,360</b>	<b>(139,515)</b>	<b>374,220,881</b>	<b>-</b>

**6 SHORT TERM BORROWINGS**

	Note	December 31, 2015	June 30, 2015
		(Rupees)	
<b>Secured</b>			
From banking companies		368,009,986	343,588,014
<b>Unsecured</b>	6.1		
From directors		97,535,000	97,535,000
From associated undertaking		50,000,000	20,000,000
		<b>515,544,986</b>	<b>461,123,014</b>

**6.1** These loans to the company have been provided by the directors and associated undertaking of the company, which are unsecured and carries no markup.

**7 CONTINGENCIES AND COMMITMENTS**

There has been no significant change in the contingencies and commitments since the last audited financial statements except as disclosed in note 7.1 and 7.2 respectively.

**7.1 Contingencies**

Bills discounted with recourse Rs. 30,790,702 (June 30, 2015 : Rs.279,832,340 ).

**7.2 Commitments**

Letter of credit for stores and spares Rs. NIL (June 30, 2015 : Rs.3,654,084 ).

	Quarter ended		Half year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014

(Rupees)

**8 COST OF SALES**

Raw material consumed	315,829,695	506,637,878	728,350,792	953,907,799
Cost of raw material sold	2,287,493		13,052,512	
Fuel and power	68,278,466	85,057,316	143,341,562	154,830,197
Stores and spares consumed	14,357,468	13,747,664	28,765,346	22,999,798
Salaries, wages and other benefits	35,762,402	44,158,587	79,224,722	77,022,018
Staff retirement benefits - gratuity	2,835,636	3,075,000	4,835,636	3,750,000
Packing material consumed	7,002,442	13,159,206	18,397,148	22,636,715
Depreciation	20,211,132	20,567,485	40,242,398	33,763,486
Other expenses	3,042,103	4,810,252	7,544,671	9,150,263
	<b>469,606,837</b>	<b>691,213,388</b>	<b>1,063,754,787</b>	<b>1,278,060,276</b>
<b>Work in process</b>				
Opening	10,954,527	14,752,187	11,316,951	11,105,414
Closing	(8,431,374)	(15,099,532)	(8,431,374)	(15,099,532)
	<b>2,523,153</b>	<b>(347,345)</b>	<b>2,885,577</b>	<b>(3,994,118)</b>
Cost of goods manufactured	<b>472,129,990</b>	<b>690,866,043</b>	<b>1,066,640,364</b>	<b>1,274,066,158</b>
<b>Finished goods</b>				
Opening	33,548,367	48,895,377	37,045,138	51,377,898
Purchased	-	(1,741)	-	(1,741)
Closing	(44,860,853)	(20,658,407)	(44,860,853)	(20,658,407)
	<b>(11,312,486)</b>	<b>28,235,229</b>	<b>(7,815,715)</b>	<b>30,717,750</b>
	<b>460,817,504</b>	<b>719,101,272</b>	<b>1,058,824,649</b>	<b>1,304,783,908</b>

**GLAMOUR TEXTILE MILLS LIMITED**

	Quarter ended		Half year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
		(Restated)		(Restated)
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		<b>(Rupees)</b>		<b>(Rupees)</b>

**9 EARNINGS / (LOSS) PER SHARE**

Profit / (loss) for the period	(51,461,843)	21,239,445	(86,537,930)	5,273,340
Weighted average number of ordinary shares	26,640,000	26,640,000	26,640,000	26,640,000
earnings / (loss) per share - basic	<u>(1.93)</u>	<u>0.80</u>	<u>(3.25)</u>	<u>0.22</u>

There is no dilutive effect on basic earnings per share of the company.

**10 RELATED PARTY TRANSACTIONS**

**Balance with related parties**

	December 31, 2015	June 30, 2015
Long term financing from directors	164,802,100	164,802,100
Long term financing from associated undertakings	65,000,000	65,000,000
Short term borrowings from directors	97,535,000	157,835,000
Short term borrowings from associated undertaking	50,000,000	20,000,000

**Transaction with related parties**

	December 31, 2015	December 31, 2014
Short term borrowings from directors - repayment	-	300,000
Short term borrowings from associated undertaking - received	30,000,000	60,000,000

**11 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information have been authorized for issue on **February 27, 2016** by the board of directors of the company.

**12 GENERAL**

Figures have been rounded off to the nearest rupee.

Lahore:  
Saturday February, 27, 2016

11      **CHIEF EXECUTIVE                      DIRECTOR**