



GLAMOUR TEXTILE MILLS LIMITED

DIRECTORS' REPORT

On behalf of the board of directors, I take pleasure to present condensed interim financial statements for period of nine months and the quarter ended March 31, 2016.

The financial results are summarized as under:

	Quarter Ended		Nine Months Ended	
	March 31, 2016	March 31, 2015	March 31, 2015	March 31, 2015
	(R u p e e s)			
Sales	391,942,501	648,409,574	1,423,069,476	2,016,944,711
Gross profit	2,628,729	40,807,328	(33,858,276)	104,558,557
Profit/(loss) after tax	(21,862,556)	(29,542,50)	(119,149,663)	(606,270)
Earnings per share	(0.82)	(0.11)	(4.47)	(0.02)

The sales revenue for nine months shown dropped by 29.44% from Rs.2,016.944 million to Rs.1,423.069 million . The decrease in sales for quarter March 201 quarter is 39.55%, from Rs.648.409 million to Rs.391.942 million. The cost of sales of current nine months period is 102.38 % of sales as compare to 94.82% of sales in comparative period last year; this increase in cost of sales is mainly due to higher raw material cost and electricity cost . The administrative expenses are 1.25% of sales against 0.87% in comparative period last year.

The future outlook is not healthy due to uncertainty of demand of yarn together with depressing yarn prices. The future of textile sector depend on action of government to make export as revenue generating activity by reducing cost of doing business in Pakistan .

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: April 30, 2016

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2016

	Note	Un-audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,032,028,166	1,093,152,087
Long term deposits		5,767,739	5,767,739
		1,037,795,905	1,098,919,826
CURRENT ASSETS			
Stores, spare parts and loose tools		56,127,476	47,703,485
Stock in trade		332,917,150	296,508,935
Trade debts		97,704,848	131,203,207
Loans and advances		24,583,805	28,546,026
Trade deposits and short term prepayments		1,541,778	157,001
Tax refunds due from Government		72,271,805	73,242,157
Cash and bank balances		5,621,043	9,953,849
		590,767,905	587,314,660
		1,628,563,810	1,686,234,486
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
27,000,000 (June 30, 2014 : 27,000,000) Ordinary shares of Rs. 10 each		270,000,000	270,000,000
Issued, subscribed and paid up capital			
26,640,000 (June 30, 2014 : 26,640,000) Ordinary shares of Rs. 10 each fully paid in cash		266,400,000	266,400,000
Unappropriated profit		540,764	111,413,143
		266,940,764	377,813,143
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		280,963,413	289,240,697
NON CURRENT LIABILITIES			
Long term financing from banking companies		68,114,681	115,711,271
Long term financing from directors and associate		176,963,116	162,708,358
DEFERRED LIABILITIES			
Staff retirement benefits - gratuity		27,274,369	26,486,299
Deferred taxation		51,938,148	55,485,555
CURRENT LIABILITIES			
Trade and other payables		158,488,798	130,688,916
Accrued mark up / interest		6,137,028	7,879,885
Short term borrowings	6	522,559,557	461,123,014
Current portion of long term financing		60,263,720	59,097,348
Provision for taxation		8,920,216	-
		756,369,319	658,789,163
CONTINGENCIES AND COMMITMENTS	7	-	
		1,628,563,810	1,686,234,486

The annexed notes form an integral part of these condensed interim financial statements.

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Note	Quarter Ended		Nine Months Ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
------(Rupees)-----					
Sales		391,942,501	648,409,574	1,423,069,476	2,016,944,711
Cost of sales	8	(389,313,772)	(607,602,246)	(1,456,927,753)	(1,912,386,154)
Gross profit / (loss)		2,628,729	40,807,328	(33,858,277)	104,558,557
Other operating income		-	-	10,485	19,421,180
Distribution cost		(1,206,586)	(19,125,252)	(16,195,004)	(50,694,609)
Administrative expenses		(5,444,859)	(6,461,161)	(17,735,593)	(17,476,965)
Other operating expenses		-	-	(2,072,741)	-
Finance cost		(13,464,949)	(19,665,066)	(43,925,724)	(60,774,503)
Income / (loss) before taxation		(17,487,665)	(4,444,151)	(113,776,854)	(4,966,340)
Taxation		(4,374,891)	1,489,901	(5,372,809)	4,360,070
Income / (loss) for the period		(21,862,556)	(2,954,250)	(119,149,663)	(606,270)
Earnings / (loss) per share - basic and diluted	9	(0.82)	(0.11)	(4.47)	(0.02)

Lahore : April 30, 2016

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Quarter Ended		Nine Months Ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Profit for the period	(21,862,556)	(2,954,250)	(119,149,663)	(606,270)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>(21,862,556)</u>	<u>(2,954,250)</u>	<u>(119,149,663)</u>	<u>(606,270)</u>

The annexed notes form an integral part of these condensed interim financial statements.

Lahore : April 30, 2016

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOWS STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Nine Months Ended	
	March 31, 2016	March 31, 2015
	(Rupees)	
A CASH FLOWS FROM OPERATING ACTIVITIES		
Income / (loss) before taxation	(113,776,854)	(4,966,340)
<i>Adjustments for:</i>		
Depreciation	64,133,173	58,409,517
Provision for staff retirement benefits - gratuity	7,902,570	6,407,920
Finance cost	43,925,724	60,774,503
Notional interest income on interest free loan from directors	-	(18,690,543)
(Profit) / Loss on sale of Fixed Assets	(10,485)	-
Profit before changes in working capital	2,174,128	101,935,057
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(8,423,991)	(5,191,431)
Stock in trade	(36,408,215)	(240,861,970)
Trade debts	33,498,359	(25,368,870)
Loans and advances	3,962,221	(11,177,609)
Trade deposits and short term prepayments	(1,384,777)	(2,684,422)
Tax refunds due from Government	9,760,580	(13,457,090)
<i>Increase in current liabilities</i>		
Trade and other payables	27,799,882	105,250,522
	28,804,059	(193,490,870)
Cash used in operations	30,978,187	(91,555,813)
Payments for :		
Finance cost	(31,413,824)	(45,444,189)
Taxation	(8,790,227)	(16,419,917)
Staff retirement benefits - gratuity	(7,114,500)	(4,126,547)
	(47,318,551)	(65,990,653)
Net cash used in operating activities	(16,340,364)	(157,546,466)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(3,148,767)	(154,796,961)
Sale proceeds of Property, plant and equipment	150,000	-
Long term deposits	-	(53,040)
Dividend paid	-	(697)
Net cash used in investing activities	(2,998,767)	(154,850,698)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans received-net	(46,430,217)	103,509,292
Short term borrowings- net	61,436,542	223,041,835
Net cash used in financing activities	15,006,325	326,551,127
Net decrease in cash and cash equivalents (A+B+C)	(4,332,806)	14,153,963
Cash and cash equivalents at the beginning of the period	9,953,849	12,561,160
Cash and cash equivalents at the end of the period	5,621,043	26,715,123
Cash and cash equivalents		
Cash and bank balances	5,621,043	26,715,123
	5,621,043	26,715,123

The annexed notes form an integral part of these condensed interim financial statements.

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Share capital	Unappropriated profit	Total
	(Rupees)		
Balance as at July 01, 2014	266,400,000	96,998,771	363,398,771
Total comprehensive income for the period	-	(9,879,686)	(9,879,686)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation	-	6,049,902	6,049,902
Balance as at March 31, 2015	266,400,000	93,168,987	359,568,987
Balance as at July 01, 2015	266,400,000	111,413,143	377,813,143
Total comprehensive income/(loss) for the period	-	(119,149,663)	(119,149,663)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation - net of tax	-	8,277,284	8,277,284
Balance as at March 31, 2016	266,400,000	540,764	266,940,764

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

CHIEF EXECUTIVE

DIRECTOR

Lahore : April 30, 2016

GLAMOUR TEXTILE MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016

1 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 Exchange Limited. 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/fabric.

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 Financial Reporting Standard (IFRS) 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 as at and for the year ended 30th June, 2015.

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

These 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 flows statement and condensed interim statement of changes in equity together with the notes for the nine months ended March 31, 2016. These condensed interim financial statements also include the condensed profit and loss account for the quarter ended March 31, 2016.

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 30 June, 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

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 recognized 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 as at and for the year ended 30 June, 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 30 June 2015.

	Note	March 31, 2016	June 30, 2015
(Rupees)			
5 PROPERTY, PLANT AND EQUIPMENT			
Operating assets - owned	5.1	1,032,028,166	1,079,921,495
Capital work in progress - at cost		-	13,230,592
		<u>1,032,028,166</u>	<u>1,093,152,087</u>
5.1 Operating assets - owned			
Opening written down value		1,079,921,495	786,800,109
Add: Revaluation of fixed assets		-	
Additions during the period	5.2	16,379,360	374,220,881
		<u>1,096,300,855</u>	1,161,020,990
Disposals during the period	5.2	(139,516)	
Depreciation during the period		(64,133,173)	(81,099,495)
		<u>1,032,028,166</u>	<u>1,079,921,495</u>
Closing written down value		<u>1,032,028,166</u>	<u>1,079,921,495</u>

	March 31, 2016		June 30, 2015	
	(Rupees)			
5.2 Additions and disposals during the period				
	Additions	Disposals	Additions	Disposals
Building	-	-	56,123,500	-
Plant and machinery	16,379,360	-	313,362,714	-
Furniture fixture & equipments	-	-	989,978	-
Vehicles	-	(139,516)	3,744,689	-
	16,379,360	(139,516)	374,220,881	-
6 SHORT TERM BORROWINGS			March 31, 2016	June 30, 2015
			(Rupees)	
Secured				
From banking companies			375,024,557	343,588,014
Unsecured				
From directors			97,535,000	97,535,000
From associated undertaking			50,000,000	20,000,000
			522,559,557	461,123,014

7 CONTINGENCIES AND COMMITMENTS

Contingencies

Bills discounted with recourse Rs. 54,641,540 (June 30, 2015 : Rs. 279,832,340).

Bank guarantees issued in the ordinary course of business Rs.14,363,510 (June 30, 2015: Rs. 14,363,510).

Commitments

Letter of credit for capital expenditures Rs. NIL (June 30, 2015 : Rs. NIL).

Letter of credit for raw cotton/stores & spares Rs. 31,465,108 (June 30, 2015 : Rs. 3,654,084).

8 COST OF SALES

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees)			
Raw material consumed	237,727,024	460,217,023	966,077,816	1,414,124,822
Cost of raw material sold	7,320,639	-	20,373,151	-
Fuel and power	47,713,978	71,653,209	191,055,540	226,483,406
Stores and spares consumed	9,359,136	14,228,813	38,124,482	37,228,611
Salaries, wages and other benefits	32,945,616	42,650,637	112,170,338	119,672,655
Staff retirement benefits - gratuity	2,250,000	1,875,000	7,085,636	5,625,000
Packing material consumed	5,421,021	9,567,955	23,818,168	32,204,670
Depreciation	20,227,184	21,117,370	60,469,582	54,880,856
Repair and maintenance	826,657	1,261,372	2,550,433	4,053,393
Vehicle running expenses	362,518	710,768	1,190,707	1,602,909
Insurance expenses	603,570	1,294,233	3,033,130	3,192,006
Cotton cess	431,000	943,356	1,961,750	2,811,800
Other expenses	159,480	345,470	1,191,876	2,045,354
	365,347,823	625,865,206	1,429,102,609	1,903,925,482
Work in process				
Opening	10,954,527	15,099,532	11,316,951	11,105,414
Closing	(10,998,003)	(13,073,105)	(10,998,003)	(13,073,105)
	(43,476)	2,026,427	318,948	(1,967,691)
Cost of goods manufactured	365,304,347	627,891,633	1,429,421,557	1,901,957,791
Finished goods				
Opening	33,548,367	20,658,407	37,045,138	51,377,898
Purchases	-	-	-	(1,741)
Closing	(9,538,942)	(40,947,794)	(9,538,942)	(40,947,794)
	24,009,425	(20,289,387)	27,506,196	10,428,363
	389,313,772	607,602,246	1,456,927,753	1,912,386,154

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
----- (Rupees) -----				
9 EARNINGS / (LOSS) PER SHARE				
Income / (loss) for the period	(21,862,556)	(2,954,250)	(119,149,663)	(606,270)
Weighted average number of ordinary shares	26,640,000	26,640,000	26,640,000	26,640,000
Earnings / (loss) per share - basic	(0.82)	(0.11)	(4.47)	(0.02)

There is no dilutive effect on basic earnings / (loss) per share of the company.

10 RELATED PARTY TRANSACTIONS

Balance with related parties (without present value adjustment)

	March 31, 2016	June 30, 2015
Long term financing from directors	164,802,100	164,802,100
Long term financing from associated undertaking	65,000,000	65,000,000
Short term borrowings from associated undertaking	50,000,000	20,000,000
Short term borrowings from directors	97,535,000	97,535,000

Transaction with related parties

	March 31, 2016	June 30, 2015
Long term financing from directors- received	-	60,000,000
Short term borrowings from directors/associat undertaking - repayment	-	120,300,000
Short term borrowings from direcotr/ associated undertaking - received	30,000,000	40,000,000

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **April 30, 2016** by the board of directors of the company.

12 GENERAL

Figures have been rounded off to the nearest rupee.

Lahore : April 30, 2016

CHIEF EXECUTIVE

DIRECTOR