Company Information

Chairman
Mr. Asad Elahi

Chief Executive
Mr. Azher Elahi

Directors
Mr. Ather J. Elahi
Mr. Mansoor Elahi
Mrs. Naureen Asad
Mrs. Shafqat Azher
Mrs. Mehnaz Ather Elahi
Mr. Fahad Elahi

Audit Committee
Mr. Asad Elahi (Chairman)
Mr. Mansoor Elahi (Member)
Mr. Ather J. Elahi (Member)
Sheikh Rasheed Ahmed (Member)

Chief Financial Officer & Company Secretary
Mr. Ishfaq Saeed

Auditors:
Mushtaq & Co.
Chartered Accountants

Bankers:
Soneri Bank Ltd.
JS Bank Ltd.
Bank AL Habib Ltd

Share Registrars:
Corplink (Pvt) Ltd.
Wings Arcade, 1-K, Commercial
Model Town, Lahore.
Ph: 042-3591 6714, 3591 6719
Fax: 042 -3586 9037
Email: corplink786@gmail.com

Registered Office/Mills
11-KM, Manga-Raiwind Road,
Tehsil & District Kasur.
Tel: (042) 3539 2794-5
Fax: (042) 35391566
E-mail: info@glamourtextiles.com

NOTICE OF 24TH ANNUAL GENERAL MEETING

The 24th Annual General Meeting of the members of Glamour Textile Mills Limited will be held at 11.00 a.m. on Saturday, October 31, 2015 at the Registered Office of the Company located at 11 Kilometers, Manga Raiwind Road, District Lahore., to transact the following business:-

Ordinary Business

1. To receive and confirm minutes of the Annual General Meeting held on October 31, 2014.
2. To receive, consider and approve the audited accounts of the Company for the year ended June 30, 2015 together with Directors' & Auditors' Reports thereon.
3. To Appoint Auditors for the year 2015-2014 and fix their remuneration. The retiring auditors, Messer Mushtaq & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

4. Any other matter with the permission of the Chair.

By order of the Board

Lahore,
October 9, 2015

Ishfaq Saeed
Company Secretary

NOTES:

1. The Register of Members of the Company will remain closed from October 24th, 2015 to October 31st 2015 (both days inclusive). Transfer received in order at the office of Registrar of the company M/s Corplink (Pvt) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore by the close of business on October 23, 2015 will be considered in time.
2. Members who have not yet provided an attested copy of their CNIC, are once again requested to provide attested copies of their CNICs directly to our Shares Registrar M/s Corplink (Pvt) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore.
3. A member entitled to attend and vote may appoint another person as his/her proxy to attend and vote on his/her behalf. Proxies must be received at the Company's Registered Office, duly stamped, signed and witnessed not later than 48 hours before the time of meeting.
4. Shareholders are requested to promptly notify of the any change in their address to the Company's Shares Registrar M/s Corplink (Pvt) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore.
5. Shareholders whose shares are deposited with Central Depository Company (CDC) are requested to bring their Computerized National Identity Card (CNIC) along with CDC Account Number for verification.
6. In case of corporate entity, the Board of Directors, Resolution/Power of Attorney with specimen signature of the nominee shall be submitted with form of proxy to the Company and the same shall be produced in original at the time of the meeting to authenticate the identity.
7. For attending the meeting and appointing proxies, CDC account holders will further have to follow the guidelines as laid in Circular 1, dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

MISSION

The mission statement of Glamour Textile Mills Limited is:

"Quality with consistency through excellence in application of requisite techniques and optimized utilization of available resources for the maximization of profits."

STATEMETN OF ETHICS

We believe in a completely harmonized code of ethics for the Directors, Executives and Staff, in all fairness in business practices through perseverance in honesty, dedication and diligence.

Our endeavor is to groom all the personnel towards excellence with underlying philosophy for the betterment of all, whether employed or dealing with the Company.

DIRECTORS' REPORT

On behalf of the board of directors, I take pleasure to present Annual Report along with the Audited Accounts of the company pertaining to the financial year ending on June 30, 2015.

Financial highlights

The financial results are summarized hereunder:

	2015	2014
	Rupees	
Sales	2,589,116,116	2,406,964,383
Gross profit	88,125,176	83,363,512
Profit before taxation	(61,458,645)	(22,020,547)
Provision for taxation	4,942,582	(4,816,379)
Profit/(loss) after taxation	(56,516,063)	(26,836,926)
Earning per share	(2.12)	(1.01)

During the current year company's profitability witnessed heavy blow due to depressing prices prevailing in domestic and international markets however your company manage to increase turnover by fully utilizing extra production from operation of expansion project. Our sales revenue increased by 7.56% from FY 2014 whereas cost of sales increased by 7.63% from the FY 2014 and resulting gross profit increased by 5.71% to Rs.88.125 million from Rs. 83.363 million in last year.

Future outlook is showing difficult time for textile industry which is becoming redundant due to high cost of production and persistent shortage of electricity for industry along with recession in international market.

Compliance with the Code of Corporate Governance

The Board of Directors has taken necessary steps to comply with the provisions of code of corporate governance as incorporated in the listing regulations of stock exchanges. Statement of the compliance with the code of corporate governance is annexed.

Statement on Corporate & Financial Reporting Framework

The Company complies with the Code in the following manner.

a. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and change in equity.

b. Proper books of account of the Company have been maintained.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.

d. International Accounting Standards as applicable in Pakistan have been followed in the preparation of financial statements and any departure if any there from has been adequately disclosed.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There are no significant doubts upon the Company's ability to continue as a going concern.

g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h. We have prepared and circulated a statement of ethics and business strategy among directors and employees.

i. The board of directors has adopted a mission statement and a statement of overall corporate strategy.

j. During the year under review four meetings of the Board of Directors were held and attendance positions is hereunder:

Name of Director	**Number of Meetings attended**
Mr. Azher Elahi	4
Mr. Asad Elahi	4
Mr. Ather J. Elahi	4
Mr. Mansoor Elahi	4
Mrs. Naureen Asad	4
Mrs. Shafqat Azher	4
Mrs. Mehnaz Ather Elahi	4
Mr. Fahad Elahi	4

k. During the financial year no trading reported in shares of the Company by its Directors, CEO, CFO, Company Secretary, and their spouses and minor children.

Audit committeetion

The Board of Directors in compliance of the code of corporate governance has established Audit Committee except to composition as mentioned in compliance report paragraph number 15. The names of its members are given in the Company profile.

The terms of reference of the Audit Committee is based on the scope as defined by the Securities and Exchange Commission of Pakistan (SECP) and the guidelines given by the Board of Directors form time to time to improve the system and procedures.

With in the framework of terms of reference determined by the Board of Directors, the Audit Committee, among other things, will appointment of external auditors and review of periodic accounts.

Auditors

The present auditors Messrs Mushtaq & Company, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

Pattern of shareholding

The pattern of shareholding as required by Section 236 of the Companies Ordinance 1984 and under Code of Corporate Governance is enclosed.

Key operating and financial data

Key operating and financial data for the preceding six years is annexed.

Statutory payments

There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2015 except for those disclosed in the financial statements.

Corporate restructuring and business expansion

During the year under review, the Company invested Rs.374.220 million in BMR/ expansion through own sources and borrowings from banks.

Acknowledgement

The Directors of the Company wish to thanks its bankers for their continued support and wish to place on record their appreciation towards the employees for their dedicated services and hard work without which all this would have not been possible.

For & on behalf of the Board

AZHER ELAHI,
Chief Executive

Lahore,
October 9, 2015.

Glamour Textile Mills Limited

KEY OPERATING AND FINANCIAL DATA
FROM 2015 TO 2010 (SIX YEARS)

	2015	2014	2013	2012	2011	2010
Sales						
Local (net of sales tax)	1,189,948,085	1,426,861,320	1,166,795,177	1,508,946,946	1,483,855,906	1,099,626,294
Export	1,399,168,031	799,103,063	1,154,941,195	541,287,607	588,584,981	258,810,934
Net Sale	**2,589,116,116**	**2,225,964,383**	**2,321,736,372**	**2,050,234,553**	**2,072,440,887**	**1,358,437,228**
Profitability						
Gross Profit/(Loss)	88,125,176	83,363,512	293,120,730	159,622,394	156,492,920	210,565,904
Profit/(Loss) before tax	(61,458,645)	(22,020,547)	146,639,456	49,065,416	32,845,215	108,141,326
Provision for income tax	(4,942,582)	4,816,379	10,846,016	20,507,331	21,575,461	8,264,346
Profit/(Loss) after tax	**(56,516,063)**	**(26,836,926)**	**135,793,440**	**28,558,085**	**11,269,754**	**99,876,980**
Financial Position						
Propert plant & equipments	1,093,152,087	989,832,341	804,262,695	591,042,020	630,398,026	571,125,775
Long term loans and deosits	5,767,739	5,714,699	5,714,699	5,416,699	2,734,699	3,513,466
Total Assets	**1,098,919,826**	**995,547,040**	**809,977,394**	**596,458,719**	**633,132,725**	**574,639,241**
Current assets	587,314,660	442,837,487	437,741,943	352,302,286	430,194,819	264,917,339
Current liabilities	658,789,163	424,089,543	336,204,202	275,200,884	420,492,860	189,904,689
Net working capital	**(71,474,503)**	**18,747,944**	**101,537,741**	**77,101,402**	**9,701,959**	**75,012,650**
Capital employed	1,027,445,323	1,014,294,984	911,515,135	673,560,121	642,834,684	649,651,891
Less: long term loan	278,419,629	208,290,083	129,802,100	129,802,100	279,802,100	299,802,100
Less:Deferred liabilities	81,971,854	84,654,869	92,435,336	9,506,858	7,339,506	5,426,467
Share holders Equity	**667,053,840**	**721,350,032**	**689,277,699**	**534,251,163**	**355,693,078**	**344,423,324**
Represented By:						
Share capital	266,400,000	266,400,000	266,400,000	266,400,000	116,400,000	116,400,000
Un-appropriated Profit/(Loss)	111,413,143	159,310,788	116,707,530	(25,274,680)	(67,223,849)	(93,426,253)
Surplus on revaluation of fixed assets	289,240,697	295,639,244	306,170,169	293,125,843	306,516,927	321,449,577
	667,053,840	**721,350,032**	**689,277,699**	**534,251,163**	**355,693,078**	**344,423,324**
Ratios:						
Gross Profit/(Loss) to sales **(%age)**	3.40	3.75	12.63	7.79	7.55	15.50
Net Profit/(Loss) from ordinary activeties to sales **(%age)**	(2.18)	(1.21)	5.85	1.39	0.54	7.35
Debt:equity ratio	1.53	0.99	0.81	0.78	1.99	1.44
Current ratio	0.89:1	1.04:1	1.30:1	1.28:1	1.02:1	1.40:1
Breakup value per share of Rs. 10 each	25.04	27.08	25.87	20.05	30.56	29.59
Earnings Per Share Rs.	(2.12)	(1.01)	5.10	2.14	0.97	8.58
Dividend	NIL	NIL	NIL	10%	NIL	NIL

GLAMOUR TEXTILE MILLS LTD.

Registered Offices: 11th Kms, Manga Raiwind Road, (Kohinoor Energy Post Office) Tehsil & Distt., Kasur, Pakistan.
Tel: Off. (042) 3539 2794-5, Fax: (042) 5392437
E-mail: : info@glamourtextiles.com, Url: www.glamourtextiles.com
NTN # 0225874-9, STRN # 03-05-5109-001-91

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in listing regulations of Karachi, Lahore & Islamabad stock exchanges for the purpose of establishing a framework of good governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The company will encourage representation of independent non-executive directors on their board in election of director due in 2016. Therefore, the Board of Directors has always supported implementation of highest standards of corporate governance. At present the Board includes:

Non-Executive Directors	Mr.Azher Elahi Mr. Asad Elahi Mr. Mansoor Elahi Mrs Naureen Asad Mrs. Shafqat Azher Mrs. Mehnaz Ather Elahi
Executive Directors	Mr. Ather J. Elahi Mr. Fahad Elahi

2. The directors have confirmed that none of them is serving as director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable). .
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancies arose in Board during the year.
5. The Company has prepared a 'Statement of Ethics and Business practices' which has been signed by all the directors and employees of the company.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and condition of employment of CEO and other non-executive directors, have been taken by the board/shareholders.
8. The meetings of the Board were presided over the Chairman and in his absence, by a director elected for this purpose. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days

before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. No director has enrolled in Director's Training Program. However management continues to apprise and familiarize with changes in law to discharge their duties and responsibilities.
10. During the year under review there was no change of CFO, Company Secretary and Head of Internal Auditor. They execute their responsibilities pursuant to the approved appointment by the Board including their remuneration and condition of employment, as determined by the CEO.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and CFO before the approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises four members including two non-executive directors including chairman of the committee, whereas the Code requires that the Company should have an audit committee comprising of at least three non executive directors and at least one of them should be independent director. The Company is currently in process of reviewing the requirements of Code and will take necessary measures in subsequent periods.
16. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and remuneration committee. It comprises three (03) members; of whom two (02) are non-executive directors and the chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit function for which staffs appointed who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles contained in the CCG have been complied with.

By order of the Board,
For Glamour Textile Mills Ltd.,

AZHER ELAHI,

Chief Executive

Lahore,
October 9, 2015

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Member of

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS
407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 32638521-4 Fax: 32639843
Branch Office: 501-B, City Towers, Gulberg-II, Lahore. Tel: 35788637 Fax: 35788626
Email Address: mushtaq_vohra@hotmail.com

Illinois, USA

REVIEW REPORT TO THE MEMBERS

On the Statement of Compliance with Best Practices of the Code of Corporate Governance

We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **Glamour Textile Mills Limited** for the year ended June 30, 2015 to comply with the requirements of Listing Regulation of the Karachi Stock Exchange Limited, Islamabad Stock Exchange Limited and Lahore Stock Exchange Limited where the company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the company's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the company's personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all the risks and controls or to form an opinion on the effectiveness of such internal controls, the company's corporate governance procedures and risks.

The Code requires the company to place before the audit committee and upon recommendation of audit committee, places before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the statement of compliance does not appropriately reflect the company's compliance, in all material respects, with the best practices contained in the Code as applicable to the company for the year ended June 30, 2015.

Paragraph Reference	**Description**
1	Board of directors is not represented by any independent director as required by clause (I) of code.
9	Appropriate arrangements for orientation courses for the directors have not been carried out as required by clause (xi) of code.
15	Audit committee does not contain independent directors as required by clause (XXIV) of code.

Lahore:
Dated: **October 09, 2015**

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Abdul Qadoos, FCA

Member of

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 32638521-4 Fax: 32639843
Branch Office: 501-B, City Towers, Gulberg-II, Lahore. Tel: 35788637 Fax: 35788626
Email Address: mushtaq_vohra@hotmail.com

Illinois, USA

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Glamour Textile Mills Limited** as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verifications, we report that;

(a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion;

- (i) the Balance Sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

- (ii) the expenditure incurred during the year was for the purpose of the company's business; and

- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2015 and of the loss, comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Abdul Qadoos, FCA

Lahore:
Date: **October 09, 2015**

Glamour Textile Mills Limited
Balance Sheet
As at June 30, 2015

	Note	2015	2014
		------------------Rupees----------------	
			(Restated)
ASSETS			
Non Current Assets			
Property, plant and equipment	5	1,093,152,087	989,832,341
Long term deposits	6	5,767,739	5,714,699
		1,098,919,826	995,547,040
Current Assets			
Stores, spare parts and loose tools	7	47,703,485	41,527,483
Stock in trade	8	296,508,935	171,886,899
Trade debts	9	131,203,207	148,189,914
Loans and advances	10	28,546,026	34,176,245
Trade deposits and short term prepayments	11	157,001	551,959
Tax refunds due from Government	12	73,242,157	33,943,827
Cash and bank balances	13	9,953,849	12,561,160
		587,314,660	442,837,487
Total Assets		**1,686,234,486**	**1,438,384,527**
EQUITY AND LIABILITIES			
Share Capital and Reserve			
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	14	266,400,000	266,400,000
Unappropriated profit		111,413,143	159,310,788
Total Equity		377,813,143	425,710,788
Surplus on revaluation of property, plant and equipment - net of tax	15	289,240,697	295,639,244
LIABILITIES			
Non - Current Liabilities			
Long term financing from banking companies	16	115,711,271	100,800,000
Long term financing from directors and associates	17	162,708,358	107,490,083
Deferred Liabilities			
Staff retirement benefits - gratuity	18	26,486,299	17,736,365
Deferred taxation	19	55,485,555	66,918,504
Current Liabilities			
Trade and other payables	20	130,688,916	50,613,916
Accrued interest / mark up	21	7,879,885	5,438,916
Current portion of long term financing	16	59,097,348	33,600,000
Short term borrowings	22	461,123,014	334,436,711
		658,789,163	424,089,543
Contingencies and Commitments	23		
Total Equity and Liabilities		**1,686,234,486**	**1,438,384,527**

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

CHIEF EXECUTIVE **DIRECTOR**

Glamour Textile Mills Limited
Profit and Loss Account
For the Year Ended June 30, 2015

	Note	2015	2014
		------------------------Rupees----------------------	
			(Restated)
Sales - net	24	2,589,116,116	2,406,964,383
Cost of sales	25	(2,500,990,940)	(2,323,600,871)
Gross profit		88,125,176	83,363,512
Other operating income	26	19,830,923	20,176,691
Distribution cost	27	(64,266,699)	(44,054,689)
Administrative expenses	28	(24,341,927)	(20,416,039)
Other operating expenses	29	(949,535)	(3,822,792)
Finance cost	30	(79,856,583)	(57,267,230)
Profit before taxation		(61,458,645)	(22,020,547)
Taxation	31	4,942,582	(4,816,379)
Profit for the year		(56,516,063)	(26,836,926)
Earnings per share - basic and diluted	32	(2.12)	(1.01)

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

CHIEF EXECUTIVE **DIRECTOR**

Glamour Textile Mills Limited
Statement of Comprehensive Income
For the Year Ended June 30, 2015

	Note	2015	2014
		---Rupees---	
			(Restated)
(Loss) / profit for the year		(56,516,063)	(26,836,926)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit and loss account			
Remeasurements of retirement benefits		(4,271,903)	138,922
Deferred tax on remeasurement of staff retirement benefits		943,219	-
		(3,328,684)	138,922
Total comprehensive (loss) / income for the year		(59,844,747)	(26,698,004)

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

CHIEF EXECUTIVE **DIRECTOR**

Glamour Textile Mills Limited
Cash Flow Statement
For the Year Ended June 30, 2015

	Note	2015	2014
		------Rupees------	
			(Restated)
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		(61,458,645)	(22,020,547)
Adjustments for :			
Depreciation		81,099,495	61,089,090
Staff retirement benefits - gratuity		10,056,599	7,535,281
Gain on disposal of property, plant and equipment		0	(992,228)
Finance cost		79,856,583	57,267,230
Notional income on interest free loans from directors and associates		(19,830,923)	(14,678,739)
		151,181,754	110,220,634
Profit before working capital changes		89,723,109	88,200,087
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(6,176,002)	(15,990,953)
Stock in trade		(124,622,036)	15,171,454
Trade debts		16,986,707	11,475,164
Loans and advances		5,630,219	(11,302,459)
Trade deposits and short term prepayments		394,958	4,540,743
Tax refunds due from Government		(13,267,907)	4,457,220
		(121,054,061)	8,351,169
Increase / (decrease) in current liabilities			
Trade and other payables		80,075,697	(13,512,569)
Cash generated from operations		48,744,745	83,038,687
Finance cost paid		(62,366,416)	(51,110,603)
Staff retirement benefits - gratuity paid		(5,578,568)	(6,066,092)
Taxes paid		(26,029,016)	(21,030,940)
		(93,974,000)	(78,207,635)
Net cash generated from operating activities		(45,229,255)	4,831,052
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		0	2,750,000
Property, plant and equipment - acquired		(184,419,241)	(248,416,509)
Long term deposits		(53,040)	0
Net cash used in investing activities		(184,472,281)	(245,666,509)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(697)	
Long term financing from banking companies - received		90,234,799	134,400,000
Long term financing from banking companies - paid		(49,826,180)	-
Long term financing from directors - net		-	40,000,000
Short term borrowings- net		186,686,303	70,345,773
Net cash from / (used in) financing activities		227,094,225	244,745,773
Net decrease in cash and cash equivalents (A+B+C)		(2,607,311)	3,910,316
Cash and cash equivalents at the beginning of the year		12,561,160	8,650,844
Cash and cash equivalents at the end of the year		9,953,849	12,561,160
Cash and cash equivalents			
Cash and bank balances	13	9,953,849	12,561,160
		9,953,849	12,561,160

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

CHIEF EXECUTIVE **DIRECTOR**

Glamour Textile Mills Limited
Statement of Changes in Equity
For the Year Ended June 30, 2015

	Share capital	Unappropriated profit	Total
	--------------------------------Rupees------------------------------		
Balance as at July 01, 2013 - as previously reported	266,400,000	116,707,530	383,107,530
Retrospective application of amortized cost of interest free loan (note - 17.4)	-	56,337,768	56,337,768
Balance as at July 01, 2013 -restated	266,400,000	173,045,298	439,445,298
Total comprehensive income for the year	-	(26,698,004)	(26,698,004)
Transfer from surplus on revaluation of property, plant and equipment on account of disposal during the year	-	244,821	244,821
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	12,718,673	12,718,673
Balance as at June 30, 2014- as restated	266,400,000	159,310,788	425,710,788
Balance as at July 01, 2014 - restated	266,400,000	159,310,788	425,710,788
Total comprehensive income for the year	-	(59,844,747)	(59,844,747)
Transfer from surplus on revaluation of property, plant and equipment on account of disposal during the year net of deferred tax	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax	-	11,947,102	11,947,102
Balance as at June 30, 2015	266,400,000	111,413,143	377,813,143

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

CHIEF EXECUTIVE **DIRECTOR**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The company is limited by shares, incorporated in Pakistan on September 14, 1991 and is quoted on stock exchanges at Karachi, Islamabad and Lahore. The registered office of the company is situated at 11 K.M., Manga Raiwind Road, District Kasur in the province of Punjab, Pakistan.

1.2 The principle business of the company is manufacture and sale of yarn. The manufacturing unit is also located at Manga Raiwind Road in the province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency and figures are rounded off to the nearest rupee.

2.3 Standards, interpretations and amendments to published approved accounting standards

2.3.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 July 2015 and the Company does not expect to have any material / significant changes in its accounting policy except for disclosures, where applicable:

¤ Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments have no impact on Company's financial statements as the Company has the policy of depreciating / amortizing its property, plant and equipment and intangible assets based on the assessed useful lives.

¤ IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 is not likely to have any impact on the financial statements of the Company .

¤ IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. IFRS 11 is not likely to have any impact on the financial statements of the Company.

¤ IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015). The adoption of this standard is not like to have an impact on Company's financial statements.

¤ IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015). The adoption of this standard is not like to have an impact on Company's financial statements.

¤ Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

¤ Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). These amendments have no impact on the financial statements of the company.

¤ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

2.3.2 Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- ¤ IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. These amendments are not likely to have any implication on the Company's Financial Statements.
- ¤ IFRS 7 'Financial Instruments- Disclosures'. These amendments are not likely to have any implication on the Company's Financial Statements.
- ¤ IAS 19 'Employee Benefits'. These amendments are not likely to have any implication on the Company's Financial Statements.
- ¤ IAS 34 'Interim Financial Reporting'. These amendments are not likely to have any implication on the Company's Financial Statements.

2.3.3 There are a number of other minor amendments and interpretations to other approved accounting standards that are not yet effective and are also not relevant to the Company and therefore have not been presented here.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment at revalued amounts, revaluation of certain financial instruments at fair value and recognition of certain staff retirement benefits at present value.

The company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies, the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows.

3.1 Provision for taxation

The company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.2 Staff retirement benefits - gratuity

Certain actuarial assumptions have been adopted as disclosed in relevant note to the financial statements for valuation of present value of defined benefit obligation. Any changes in these assumptions in future year might affect unrecognized gains and losses in those years.

3.3 Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on market conditions existing at balance sheet date.

3.4 Property, plant and equipment

The company reviews recoverable amount, useful life , residual value and possible impairment on an annual basis. Any changes, if material in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

3.5 Stocks in trade and Stores, spares and loose tools

The company reviews the net realizable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade and stores and spares with a corresponding effect on the amortization charge and impairment.

3.6 Other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows.

3.6.1 Provision for doubtful debts
3.6.2 Disclosure of contingencies
3.6.3 Computation of deferred taxation

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of theses financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 Property, plant and equipment - owned

Recognition

Property, plant and equipment except for freehold land are stated at cost / revalued amount less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Cost of tangible assets consists of historical cost pertaining to erection / construction period and other directly attributable cost of bringing the asset to working condition.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Surplus arising on revaluation of an item of property, plant and equipment is credited to surplus on revaluation of property, plant and equipment, except to the extent that it reverses deficit on revaluation of the same assets previously recognized in profit or loss, in which case the surplus is credited to profit or loss to the extent of deficit previously charged to income. Deficit on revaluation of an item of property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any held in surplus on revaluation of property, plant and equipment relating to previous revaluation of that item. On subsequent sale or retirement of revalued item of property, plant and equipment the attributable surplus remaining in the surplus on revaluation of property, plant and equipment is transferred directly to unappropriated profit. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related assets is transferred to unappropriated profit.

Depreciation

Depreciation on all items of property, plant and equipment except for freehold land is charged to income applying the reducing balance method so as to write off historical cost of an asset over its estimated useful life at the rates as disclosed in relevant note.

Depreciation on additions is charged from the month in which the asset become available for use while no depreciation is charged in the month of disposal.

Derecognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the assets) is included in the income statement in the year the assets is derecognized.

4.2 Accounting for leases and assets subject to finance lease

4.2.1 Finance lease

Recognition

Leases where the company has substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are initially recognized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss. The related rental obligations, net off finance cost, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non current depending upon the timing of payments.

Financial charges

Lease payments are allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to income over the lease term.

Depreciation

Assets acquired under a finance lease are depreciated in the same manner and at the same rates used for similar owned assets, so as to depreciate these assets over their estimated useful lives in view of certainty of ownership of these assets at the end of lease term. Depreciation of the leased assets is charged to income.

Deferred income

Income arising from sale and lease back transaction, if any, which results in finance lease, is deferred and amortized equally over the lease period.

4.2.2 Operating lease

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income on a straight-line basis over the period of lease.

4.3 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss. Transfers are made to relevant fixed assets category as and when assets are available for use.

4.4 Long term deposits

These are stated at cost which represents the fair value of consideration given.

4.5 Stores, spare parts and loose tools

These are valued at lower of cost and net realizable value. Cost is determined by moving average method. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

4.6 Stock in trade

These are valued at lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows.

4.6.1 Raw material

In hand	Weighted average cost
In transit	Cost comprising invoice value plus other charges incurred thereon

4.6.2 Finished goods and work in process	Raw material cost plus appropriate manufacturing overheads
4.6.3 Waste	Net realizable value

Net realizable value signifies the estimated selling prices in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sales.

4.7 Trade debts and other receivables

Trade debts originated by the company are recognized and carried at original invoice value less any allowance for uncollectible amounts. An estimated provision for doubtful debts is made when there is objective evidence that collection of the full amount is no longer probable. The amount of provision is charged to income. Bad debts are written off as incurred. Other receivables are stated at amortized cost. Known impaired receivables are written off, while receivables considered doubtful are provided for.

4.8 Cash and cash equivalents

Cash in hand, cash at bank and short term deposits, which are held to maturity, are carried at cost. For the purpose of cash flow statements, cash and cash equivalent comprise cash in hand, with banks on current and saving accounts.

4.9 Staff retirement benefits

Defined benefit plan

The company operates an unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.

The Company's obligation is determined through actuarial valuations carried out under the 'Projected Unit Credit Method'. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income. Any change in past service cost is immediately recognized in profit or loss account.

The Company determines the net interest expense (income) on the net defined benefit liability(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service costs are recognized in profit and loss account. The latest actuarial valuation was conducted at the balance sheet date by a qualified professional firm of actuaries.

4.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in equity or below equity, in which case it is recognized in equity or below equity respectively.

4.10.1 Current

Provision for current taxation is based on taxability of certain income streams of the company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credit and tax rebates available, if any. The charge for current tax includes any adjustment to past years liabilities.

4.10.2 Deferred

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.11 Trade and other payables

Liabilities for trade and other payable are carried at cost which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

4.12 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.13 Borrowings and borrowing costs

Borrowings are recorded at the proceeds received. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

4.14 Revenue recognition

Revenue is recognized on dispatch of goods or on performance of services. Return on deposits is recognized on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.15 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupee on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

4.16 Financial instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and derecognized when the company loses control of contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

All financial assets and financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.17 Offsetting of financial assets and liabilities

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and the liabilities simultaneously.

4.18 Impairment

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is the greater of net selling price and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

4.19 Related party transactions

All transactions with related parties are carried out by the company at arms' length price using the method prescribed under the Companies Ordinance, 1984 with the exception of loan taken from related parties which is interest / mark up free.

4.20 Government grants

Government grants for meeting revenue expenses are set off from respective expenses in the year in which they become receivable.

4.21 Research and development cost

Research and development cost is charged to profit and loss account in the year in which it is incurred.

4.22 Dividend

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2015	2014
		----Rupees----	
Operating assets - owned	5.1	1,079,921,495	786,800,109
Capital work in progress - at cost	5.7	13,230,592	203,032,232
		1,093,152,087	989,832,341

5.1 Operating assets - owned

	Freehold land	Building on freehold land	Plant and machinery	Furniture, fixture and equipments	Vehicles	Total
	Rupees					
Cost / revaluation						
Balance as at July 1, 2013	174,375,000	203,241,597	1,447,931,306	13,888,366	10,780,662	1,850,216,931
Additions during the year	-	-	38,731,742	889,000	6,503,181	46,123,923
Disposals	-	-	(4,625,308)	-	(694,044)	(5,319,352)
Balance as at June 30, 2014	174,375,000	203,241,597	1,482,037,740	14,777,366	16,589,799	1,891,021,502
Balance as at July 1, 2014	174,375,000	203,241,597	1,482,037,740	14,777,366	16,589,799	1,891,021,502
Additions during the year	-	56,123,500	313,362,714	989,978	3,744,689	374,220,881
Disposals	-	-	-	-	-	-
Balance as at June 30, 2015	174,375,000	259,365,097	1,795,400,454	15,767,344	20,334,488	2,265,242,383
Depreciation						
Balance as at July 1, 2013	-	95,261,523	938,541,605	9,084,515	3,806,240	1,046,693,883
Charge for the year	-	5,399,004	52,872,245	565,377	2,252,464	61,089,090
Disposal	-	-	(3,163,661)	-	(397,919)	(3,561,580)
Balance as at June 30, 2014	-	100,660,527	988,250,189	9,649,892	5,660,785	1,104,221,393
Balance as at July 1, 2014	-	100,660,527	988,250,189	9,649,892	5,660,785	1,104,221,393
Charge for the year	-	6,874,442	71,125,894	545,659	2,553,500	81,099,495
Disposal	-	-	-	-	-	-
Balance as at June 30, 2015	-	107,534,969	1,059,376,083	10,195,551	8,214,285	1,185,320,888
Written down value as at June 30, 2014	174,375,000	102,581,070	493,787,551	5,127,474	10,929,014	786,800,109
Written down value as at June 30, 2015	174,375,000	151,830,128	736,024,371	5,571,793	12,120,203	1,079,921,495
Rate of depreciation	-	5%	10%	10%	20%	

5.2 The depreciation for the year has been allocated as under.

	Note	2015	2014
		----Rupees----	
Cost of sales	25.2	76,263,321	56,473,110
Administrative expenses	28	4,836,174	4,615,980
		81,099,495	61,089,090

5.3 Had there been no revaluation, the original cost and accumulated depreciation of revalued assets would have been as follows as on June 30, 2015.

	Cost	Accumulated depreciation	Written down value
	----Rupees----		
Land	15,791,011	-	15,791,011
Building	156,298,738	61,428,053	94,870,685
Plant and machinery	1,229,688,614	622,868,246	606,820,368
	1,401,778,363	684,296,299	717,482,064

5.4 On the date of revaluation, accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

5.5 The company had its freehold land, building on freehold land, plant and machinery revalued at June 30,2013. Revaluation of the assets were carried out by the independent valuers "M/s Harvester Services (Pvt) Limited" registered surveyors and valuation consultants. Freehold land was revalued at market value and building on freehold land, plant and machinery are valued at depreciated market value.

		Note	2015	2014
			------------------Rupees------------------	
5.7	**Capital work in progress**			
	Plant and machinery		13,230,592	174,452,015
	Civil work and advances		-	28,580,217
			13,230,592	203,032,232
6	**LONG TERM DEPOSITS**			
	Security deposits - utilities		5,767,739	5,714,699
			5,767,739	5,714,699
7	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	Stores		7,891,113	6,605,533
	Spare parts		38,487,819	34,547,380
	Loose tools		516,685	374,570
	Spare parts in transit		807,868	-
			47,703,485	41,527,483
8	**STOCK IN TRADE**			
	Raw material	8.1	170,518,682	109,403,587
	Raw material in transit - imported		77,628,164	-
	Work in process		11,316,951	11,105,414
	Finished goods		35,791,527	47,306,218
	Waste		1,253,611	4,071,680
			296,508,935	171,886,899

8.1 Raw material of Rs. 92.715 million (June 30, 2014 : Rs. 52.941 million) are pledged as security for short term borrowing (cash finance).

8.2 Raw material amounting to Rs. 181,370,403 and finished goods amounting to Rs. 35,653,115 are carried at their net realizable value aggregating to Rs. 170,518,682 and Rs. 35,791,527 respectively. Amount charged to profit and loss account in respect of stocks written down to their net realizable value amounting to Rs. 12,549,229.

		Note	2015	2014
9	**TRADE DEBTS**			
	Export - secured			
	Considered good		48,348,409	13,463,219
	Local - unsecured			
	Considered good		82,854,798	134,726,695
	Considered doubtful		7,403,983	6,454,448
			138,607,190	154,644,362
	Less:			
	Provision for doubtful debts	9.1	(7,403,983)	(6,454,448)
			131,203,207	148,189,914
9.1	**Provision for doubtful debts**			
	Opening alance		6,454,448	5,163,658
	Charged during the year		949,535	1,290,790
	Closing balance		7,403,983	6,454,448

		Note	2015	2014
10	**LOANS AND ADVANCES**		------------------Rupees------------------	
	Considered good			
	Advances to			
	Suppliers		19,724,906	25,029,107
	Staff against purchases		5,912,489	5,679,881
	Workers against wages	10.1	2,872,720	3,445,713
	Against letter of credit		35,911	21,544
			28,546,026	34,176,245

10.1 These are paid to workers who's wages are not taxable under Income Tax Ordinance, 2001. Any interest under section 13 of the Income Tax Ordinance 2001 will not result in taxable income.

		2015	2014
11	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**		
	Security deposits - others	157,001	267,000
	Prepayments	-	284,959
		157,001	551,959
12	**TAX REFUNDS DUE FROM GOVERNMENT**		
	Sales tax receivable	25,219,190	11,951,283
	Advance income tax	48,022,967	21,992,544
		73,242,157	33,943,827
12.1	**Advance income tax**		
	Opening balance	21,992,544	12,456,147
	Deducted during the year	26,029,016	21,030,940
	Paid/Adjusted during the year	1,407	(11,494,543)
	Closing balance	48,022,967	21,992,544
13	**CASH AND BANK BALANCES**		
	Cash in hand	3,733,285	2,870,278
	Cash at banks - current accounts	6,220,564	9,690,882
		9,953,849	12,561,160

14 **ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

2015	2014		2015	2014
Number of shares			------------------Rupees------------------	
26,640,000	26,640,000	Ordinary shares of Rs. 10 each allotted for consideration paid in cash	266,400,000	266,400,000
26,640,000	26,640,000		266,400,000	266,400,000

14.1 The shareholders are entitled to receive all distribution to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

			2015	2014
15	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX**		------------------Rupees------------------	
	Opening balance - gross		362,557,748	382,199,406
	Addition during the year		-	-
	Transfer to unappropriated profit in respect of :			
	Disposal of property, plant and equipments		-	244,821
	Incremental depreciation charged on revalued assets		11,947,102	12,718,673
	Related deferred tax		5,884,394	6,678,164
			17,831,496	19,641,658
	Closing balance - gross		344,726,252	362,557,748
	Related deferred tax:			
	Opening balance		66,918,504	76,029,238
	Deferred tax on incremental depreciation		(5,884,394)	(6,552,044)
	Deferred tax on disposal		-	(126,120)
	Effect of change in tax rate		(5,548,555)	(2,432,570)
			55,485,555	66,918,504
	Closing balance - net of tax		289,240,697	295,639,244
16	**LONG TERM FINANCING FROM BANKING COMPANIES**			
	Secured			
	Soneri Bank Limited	16.1	67,200,000	100,800,000
	Bank Al-Habib Limited	16.2	40,594,796	-
	JS Bank Limited	16.3	7,916,475	-
			115,711,271	100,800,000
16.1	**Soneri Bank Limited**			
	Opening balance		134,400,000	-
	Received during the year		-	134,400,000
	Repaid during the year		(33,600,000)	-
			100,800,000	134,400,000
	Current maturity of long term financing		(33,600,000)	(33,600,000)
			67,200,000	100,800,000

16.1.1 Company has obtained Term Finance Loan from Soneri Bank Limited to finance expansion projects of plant and machinery. The Loan is secured by first pari passu equitable mortgage over all existing and future fixed assets of the company and personal guarantees of directors. It carries mark up at three months KIBOR plus 2.25% (2014: three months KIBOR plus 2.25%) per annum payable quarterly. The loan is repayable in sixteen equal quarterly installments started form September 24, 2014.

		2015	2014
16.2	**Bank Al Habib Limited**		
	Opening balance	-	-
	Received during the year	67,657,992	-
	Repaid during the year	(13,531,598)	-
		54,126,394	-
	Current maturity of long term financing	(13,531,598)	-
		40,594,796	-

16.2.1 During the year Company has obtained Term Finance Loan from Bank Al Habib Limited to finance expansion projects of plant and machinery. The Loan is secured by first pari passu charge over fixed assets of the company including land, building and plant and machinery and personal guarantees of directors. It carries mark up at three months KIBOR + 2.00% per annum payable quarterly. The loan is repayable in twenty equal quarterly installments starting form September 30, 2014.

16.3 JS Bank Limited

	2015	2014
	------------------Rupees------------------	
Opening balance		-
Received during the year	22,576,807	
Repaid during the year	(2,694,582)	-
	19,882,225	-
Current maturity of long term financing	(11,965,750)	-
	7,916,475	-

16.3.1 During the year Company has obtained Term Finance Loan from JS Bank limited to finance expansion projects of plant and machinery. The loan is disbursed in two tranches of Rs. 11.200 million and Rs. 11.377 million respectively. The Loan is secured by first pari passu equitable mortgage over all existing and future fixed assets of the company with 25% margin and personal guarantees of directors. It carries mark up at three months KIBOR + 2.00% per annum payable quarterly. First tranche of the loan is payable in twelve monthly unequal installments started from April 20, 2015. Second trench of the loan is payable in twelve quarterly installments starting from September 23, 2015.

17 LONG TERM FINANCING FROM DIRECTORS AND ASSOCIATES

		2015	2014
		------------------Rupees------------------	
			(Restated)
Unsecured - from related parties			
Directors	17.1	116,685,962	60,115,166
Associated undertaking	17.2	46,022,396	47,374,917
		162,708,358	107,490,083

17.1 Directors

Interest free loan - gross	17.3	164,802,100	104,802,100
Present value adjustments - notional income	17.4	(48,116,138)	(44,686,934)
Present value of interest free loan from directors		116,685,962	60,115,166

17.2 Long term loan form Associated undertaking

Interest free loan - gross	17.3	65,000,000	65,000,000
Present value adjustments - notional income	17.4	(18,977,604)	(17,625,083)
Present value of interest free loan from directors		46,022,396	47,374,917

17.3 As at June 30, 2015, management of the company has entered into an agreement with directors and associated undertakings and decided repayment terms of the interest free, long term and unsecured loan (previously repayment terms of the loan were not determinable). According to the agreement, loan from directors and associated undertaking will be paid in lump sum on July 31, 2018. These loans have been recognized at amortized cost as provided in IAS 39 'Financial Instrument-recognition and measurement" using effective discount rate of 11.25 percent. The resulting difference has been charged to profit and loss account and will be amortized over the remaining life of the loan.

17.4 This represent the difference between amortized cost and face value of interest free loan (as explained in note 17.3 above). Amortized cost has been determined using effective interest rate of 11.25 percent per annum being the weighted average rate of return prevailing in the market. This loan has been adjusted retrospectively in accordance with the requirement of International Accounting Standards (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the resulting adjustments have been made in relevant years. Consequently long term financing from directors and associates as at June 30, 2014 decreased by Rupees 62.312 million shareholders equity as at June 30, 2013 increased by Rs. 56.338 million and loss for the year ended June 30, 2014 decreased by Rs. 5.974 million. Management believes that retrospective restatement has not material effect on the financial statements, therefore, third statement of financial position as at the beginning of the preceding period has not been presented. Movement of the deferred notional income is as follows.

Movement in present value	Directors loan	Associated Undertakings	2015	2014
			------------------Rupees------------------	
Opening balance	38,459,067	23,852,950	62,312,017	56,337,768
Occurred during the year	19,830,923	-	19,830,923	14,678,739
Amortized during the year	(10,173,852)	(4,875,346)	(15,049,198)	(8,704,490)
Closing balance	48,116,138	18,977,604	67,093,742	62,312,017

18 STAFF RETIREMENT BENEFITS - GRATUITY

	2015	2014
	----------------Rupees----------------	

18.1 Movement in net liability recognized in the balance sheet

	2015	2014
Opening net liability	17,736,365	16,406,098
Expenses for the year	10,056,599	7,535,281
Remeasurement (gains)/ losses	4,271,903	(138,922)
	32,064,867	23,802,457
Benefits paid during the year	(5,578,568)	(6,066,092)
Closing net liability	26,486,299	17,736,365

18.2 Expenses for the year charged to profit and loss

	2015	2014
Current service cost	8,454,703	6,183,637
Interest cost	1,601,896	1,351,644
	10,056,599	7,535,281
Other comprehensive income		
Remeasurement in the year	4,271,903	(138,922)

18.3 Movement in present value of defined benefit obligation

	2015	2014
Present value of defined benefit obligation - opening	17,736,365	16,406,098
Current service cost	8,454,703	6,183,637
Interest cost	1,601,896	1,351,644
Remeasurements (gain)/ loss	4,271,903	(138,922)
Benefits paid	(5,578,568)	(6,066,092)
Present value of defined benefit obligation	26,486,299	17,736,365

18.4 Historical information

	2015	2014	2013	2012	2011
Present value of defined benefit obligation	26,486,299	17,736,365	16,406,098	13,515,115	10,907,410
Experience adjustments on plan liabilities	4,271,903	(138,922)	3,062,284	794,945	798,780

18.5 General description

The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charge is made using the actuarial technique of Projected Unit Credit Method.

18.6 Principle actuarial assumptions

Following are a few important actuarial assumptions used in the valuation.

	2015	2014
Discount rate	9.75%	13.25%
Expected rate of salary increase in future	10.00%	12.25%
Expected year of services (years) for mills employees	12	12
Expected year of services (years) for head office employees	10	10

18.7 Sensitivity analysis of actuarial assumptions

The calculation of defined benefit obligation is sensitive to assumptions given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumptions by 100 basis point.

	Increase in assumption	Decrease in assumption
Discount rate	(1,632,240)	1,764,541
Expected rate of increase in future salaries	1,743,889	(1,643,040)

18.8 Expected gratuity expense for the year ending June 30, 2016 works out to Rs. 10,783,137.

19 DEFERRED TAXATION

	2015	2014
	------Rupees------	
Opening balance	66,918,504	76,029,238
Charged / (reversed) on surplus - effect of change in tax rate	(5,548,555)	
Reversed during the year	(5,884,394)	(9,110,734)
Closing balance	55,485,555	66,918,504
This comprises the following:		
Deferred tax liability on taxable temporary differences:		
Surplus on revaluation of property, plant and equipment	55,485,555	66,918,504
Tax depreciation allowance	37,982,384	24,853,618
Deferred tax asset on deductible temporary differences:		
Tax losses and tax credits	(61,295,658)	(37,586,248)
Staff retirement benefits - gratuity	(5,848,067)	(4,307,729)
Provision for doubtful debts	(1,634,769)	(1,567,627)
	24,689,444	48,310,518

19.1 During the year net deferred tax liability on taxable and deductible temporary differences amounting to Rs. 24,693,910 (June 30, 2014: Rs. 48,310,518) has arised. Deferred tax liability is restricted to Rs. 55,485,555 (June 30, 2014: Rs. 66,918,504) and deferred tax liability relating to timing differences of components of surplus on revaluation of property, plant and equipment have not been reversed through profit and loss account.

20 TRADE AND OTHER PAYABLES

	Note	2015	2014
		------Rupees------	
Creditors		84,900,092	20,161,476
Accrued liabilities		37,431,530	21,367,586
Advance from customers		3,858,031	3,786,269
Workers profit participation fund	20.1	-	495,470
Workers welfare fund payable		2,985,120	2,985,120
Withholding tax payable		1,403,092	1,706,247
Dividend payable		111,051	111,748
		130,688,916	50,613,916

20.1 Workers profit participation fund

	Note	2015	2014
Balance as at 01 July		495,470	8,012,724
Interest on funds utilized in the company's business	20.1.1	-	495,470
		495,470	8,508,194
Allocation for the year		-	-
		495,470	8,508,194
Payments made during the year		(495,470)	(8,012,724)
		-	495,470

20.1.1 Interest on workers' profit participation fund has been provided at the rate of Nil (June 30, 2014 : 12.58%)

21 ACCRUED INTEREST / MARK UP

	2015	2014
	------------------Rupees------------------	
Accrued interest / mark up on :		
Long term financing from banking companies	240,735	274,617
Short term borrowings from banking companies	7,639,150	5,164,299
	7,879,885	5,438,916

22 SHORT TERM BORROWINGS

	Note	2015	2014
Secured - from banking companies	22.1		
Cash finance		192,602,525	45,000,000
Running finance		150,985,489	131,233,800
Book Overdraft	22.2	-	367,911
Unsecured - from related parties	22.3		
From Directors without mark up arrangements		97,535,000	157,835,000
From Associated undertaking without mark up arrangements		20,000,000	-
		461,123,014	334,436,711

22.1 These finances are available from banking companies under mark up arrangements against aggregate sanctioned limit of Rs.1,350 million (June 30, 2014 : 1,100 million). These facilities are secured against registered hypothecation charge over stocks, book debts and current assets, pledge of stock of raw cotton and cotton yarn through bank's approved mucadum with 10% margin on cotton and 20% margin on cotton yarn, accepted documents against inland LC's and DP/DA, export bills, pari passu charge over all present and future current assets of the company, ranking charge on current assets of the company, pari passu charge over all present and future fixed assets of the company including land building and machinery located at 11 KM, manga Raiwind road and personal guarantees of the directors. These carries markup ranging from 10.18 to 12.41 (June 30, 2014 : 11.06 to 12.17) percent per annum payable quarterly. These facilities will expire on various dates by December 31, 2015.

22.2 This represents cheques issued by the company in excess of balance at banks which remained unpresented till June 30, 2014.

22.3 These are unsecured loans extended by the directors for short term working capital needs of the company and are interest free.

23 CONTINGENCIES AND COMMITMENTS

	Note	2015	2014
		------------------Rupees------------------	
Contingencies			
Bills discounted with recourse		279,832,340	80,336,263
Bank guarantee issued in the ordinary course of business		14,363,510	14,363,510
Commitments			
Letter of credit for capital expenditures		-	88,371,435
Letter of credit for stores and spares parts		3,654,084	2,776,468

24 SALES - NET

	Note	2015	2014
Export			
Yarn	24.1	1,399,168,031	799,103,063
Local			
Yarn		1,140,948,710	1,453,013,620
Yarn - trading			10,416,135
Fabrics trading		7,632,352	102,708,310
Cotton		7,930,220	-
Waste		57,148,677	68,539,441
		2,612,827,990	2,433,780,569
Less: Sales tax		(23,711,874)	(26,816,186)
		2,589,116,116	2,406,964,383

24.1 It includes net exchange gain amounting to Rs.11,349,891 (June 30, 2014 : Rs. 6,402,057).

25 COST OF SALES

	Note	2015	2014
		-----------------Rupees-----------------	
Cost of sales manufacturing activities	25.1	2,493,225,814	2,217,345,651
Cost of sales of trading activities	25.4	7,765,126	106,255,220
		2,500,990,940	2,323,600,871

25.1 Cost of sales of manufacturing activities

	Note	2015	2014
Cost of goods manufactured	25.2	2,486,659,921	2,252,759,760
Finished goods			
Opening		41,553,341	6,139,232
Closing		(34,987,448)	(41,553,341)
		6,565,893	(35,414,109)
		2,493,225,814	2,217,345,651

25.2 Cost of goods manufactured

	Note	2015	2014
Raw materials consumed ,	25.3	1,827,707,937	1,738,765,763
Cost of raw material sold		7,278,331	-
Fuel and power		291,275,438	236,399,678
Stores and spares consumed		50,638,646	43,269,410
Salaries, wages and other benefits		161,136,270	120,512,848
Staff retirement benefits - gratuity		9,003,635	6,795,746
Packing material consumed		43,732,640	34,125,233
Depreciation	5.2	76,263,321	56,473,110
Repair and maintenance		7,126,837	3,959,904
Vehicle running expenses		1,553,525	2,501,461
Insurance expenses		4,512,897	4,382,941
Canteen subsidy		3,638,350	2,800,750
Other expenses		3,003,631	1,702,717
		2,486,871,458	2,251,689,561
Work in process			
Opening		11,105,414	12,175,613
Closing		(11,316,951)	(11,105,414)
		(211,537)	1,070,199
		2,486,659,921	2,252,759,760

25.3 Raw material consumed

	2015	2014
Opening stock	109,403,587	167,063,508
Purchases - net	1,888,823,032	1,681,105,842
	1,998,226,619	1,848,169,350
Less: Closing stock	170,518,682	109,403,587
	1,827,707,937	1,738,765,763

25.4 Cost of trading activities

	Yarn	Fabric	2015	2014
	--------------Rupees--------------			
Opening balance	874,900	8,949,657	9,824,557	1,680,000
Purchased/(adjustment) during the year	(1,741)	-	(1,741)	114,399,777
Closing balance	(873,159)	(1,184,531)	(2,057,690)	(9,824,557)
	-	7,765,126	7,765,126	106,255,220

26	OTHER OPERATING INCOME	Note	2015	2014
			------------------Rupees------------------	
				(Restated)
	From other than financial assets			
	Mark up waived off on STL from directors	26.1	-	4,505,724
	Gain on sale of property, plant and equipment		-	992,228
	Notional income on interest free loans from directors and associates	17.4	19,830,923	14,678,739
			19,830,923	20,176,691

26.1 It represent mark up payable for the quarter ending June 30, 2013 to directors against loan obtained under markup arrangements from directors refer note # 9.

27 DISTRIBUTION COST

Commission on local sales	4,679,977	5,624,022
Commission on export sales	18,725,982	11,971,569
Local freight	1,054,091	1,466,091
Inland freight on export sales	9,990,782	4,683,440
Ocean freight	13,062,739	9,934,949
Export development surcharge	3,229,040	2,139,463
Clearing and forwarding	3,906,320	1,893,998
Bank charges	3,583,937	3,469,018
Other export expenses	6,033,831	2,872,139
	64,266,699	44,054,689

28 ADMINISTRATIVE EXPENSES

Salaries and other benefits		10,691,598	8,780,078
Staff retirement benefits - gratuity		1,052,964	739,535
Fees, subscription and taxes		2,855,654	1,569,246
Legal and professional		493,220	211,680
Repairs and maintenance		8,150	177,440
Traveling and conveyance		908,895	794,537
Vehicle running expenses		932,591	971,747
Entertainment		49,804	130,464
Insurance		473,517	543,107
Auditors' remuneration	28.1	700,000	665,000
Advertisement		53,990	112,615
Postage, telephones and telegrams		890,298	836,389
Printing and stationary		395,072	268,221
Depreciation	5.2	4,836,174	4,615,980
		24,341,927	20,416,039

28.1 Auditors' remuneration

Statutory audit fee	615,000	585,000
Review of code of corporate governance	25,000	25,000
Half yearly and other reviews	60,000	55,000
	700,000	665,000

29 OTHER OPERATING EXPENSES

Provision for doubtful debts	949,535	1,290,790
Loss by fire raw cotton	-	2,532,002
	949,535	3,822,792

30	FINANCE COST	Note	2015	2014
			------------------Rupees------------------	
				(Restated)
	Interest / markup on :			
	Long term financing		21,519,771	274,617
	Short term borrowings		40,703,134	45,732,154
	Workers profit participation fund		-	495,470
	Notional interest on interest free loans from directors and associates	17.4	15,049,198	8,704,490
	Bank charges and commission		2,584,480	2,060,499
			79,856,583	57,267,230

31	TAXATION			
	Current tax			
	Current year		25,542,309	20,814,872
	Prior Year	31.2	(1,407)	(9,320,329)
	Tax credit U/S 65B		(25,542,309)	-
			(1,407)	11,494,543
	Deferred Tax			
	Current Year		(4,941,175)	(6,678,164)
			(4,942,582)	4,816,379

31.1 The assessment of the company will be finalized in respect of export proceeds under presumptive tax regime under section 169. Other than export income, assessment will be finalized under the provisions of Income Tax Ordinance, 2001. Income tax return of the company has been filed up to tax year 2014**.** The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the total income of the company is liable to tax under Normal laws.

31.2 This represents the difference of tax liability for the year ended June 30, 2014 as per income tax return filed and provided in financial statements due to tax credits availed in tax return filed but the same is not taken in provision for taxation.

32 LOSS PER SHARE - basic and dilutive

		2015	2014
Loss for the year	Rupees	(56,516,063)	(26,836,926)
Weighted average number of ordinary shares	Numbers	26,640,000	26,640,000
Loss per share - basic	Rupees	(2.12)	(1.01)

32.1 There is no dilutive effect on basic loss per share.

33 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The chief executive and certain directors have waived off their remunerations and meeting fees for the year.

	DIRECTROS		EXECUTIVES	
	2015	2014	2015	2014
	------------------------------------Rupees		---------------------------------	
Remuneration	3,720,000	2,700,010	3,300,000	3,300,000
Leave encashment	-	-	-	105,863
Vehicle maintenance expenses	1,194,319	1,438,254	95,010	76,630
Entertainment expenses	142,256	104,499	-	-
Number of persons	2	2	2	2

33.1 In addition to above directors and executives are provided with free use of company maintained cars in accordance with Company's policy.

34 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

The company has exposures to the following risks from its use of financial instruments.

34.1 Credit risk
34.2 Liquidity risk
34.3 Market risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

34.1 Credit risk

34.1.1 Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the trade debts, loans and advances, trade deposits and short term prepayments and cash and bank balances. Out of total financial assets of Rs. 147.082 million (June 30, 2014 : Rs. 166.733 million), financial assets which are subject to credit risk aggregate to Rs. 137.128 million (June 30, 2014 : Rs. 154.172 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2015	2014
	Rupees	
Long term deposits	5,767,739	5,714,699
Trade debts	131,203,207	148,189,914
Trade deposits and short term prepayments	157,001	267,000
Cash and bank balances	9,953,849	12,561,160
	147,081,796	166,732,773

34.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by geographical region is as follows.

Domestic	82,854,798	134,726,695
Export	48,348,409	13,463,219
	131,203,207	148,189,914

The export debtors of the company are situated in China.

34.1.3 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows.

Yarn	131,203,207	148,189,914
	131,203,207	148,189,914

34.1.4 The aging of trade debtors at the balance sheet is as follows.

Not past due	48,348,409	123,835,870
Past due 1-30 days	65,133,771	17,539,470
Past due 31-1 year	17,721,027	6,814,574
Past due more than 1 year	7,403,983	6,454,448
Provision for doubtful debts	(7,403,983)	(6,454,448)
	131,203,207	148,189,914

34.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	2015					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Non - derivative Financial liabilities						
Long term financing banking companies	174,808,619	209,346,698	39,225,658	37,776,005	132,345,034	-
Long term financing directors associates	162,708,358	229,802,100	-	-	229,802,100	-
Trade and other payables	125,427,793	125,427,793	125,427,793	-	-	-
Accrued mark up / interest	7,879,885	7,879,885	7,879,885	-	-	-
Short term borrowings	461,123,014	489,025,568	489,025,568	-	-	-
	931,947,669	1,061,482,043	661,558,904	37,776,005	362,147,134	-

	2014					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Non - derivative						
Financial liabilities						
Long term financing banking companies	134,400,000	205,343,040	32,970,840	30,884,280	141,487,920	-
Long term financing directors associates	107,490,083	169,802,100	-	-	169,802,100	-
Trade and other payables	45,121,400	45,121,400	45,121,400	-	-	-
Accrued mark up / interest	5,438,916	5,438,916	5,438,916	-	-	-
Short term borrowings	334,436,711	358,649,929	358,649,929	-	-	-
	626,887,110	784,355,385	442,181,085	30,884,280	311,290,020	-

34.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

34.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

34.3.1 Currency risk

Exposure to currency risk

The company is exposed to currency risk on trade debts, borrowing and import of raw material and stores that are denominated in a currency other than the respective functional currency of the company, primarily in US Dollar and Euro. The currencies in which these transactions primarily are denominated is US Dollar and Euro. The company's exposure to foreign currency risk is as follows.

	US Dollar	Rupees
Trade debts 2015	476,339	48,348,408
Trade debts 2014	138,397	13,463,219

The following significant exchange rates applied during the year.

	Average rates		Reporting date rates	
	2015	2014	2015	2014
US Dollar to Rupee	101.70	103.09	101.50	97.28

Sensitivity analysis

5% strengthening of Pak Rupee against the following currencies at June 30, would have increased / (decreased) equity and profit and loss by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. 5% weakening of Pak Rupee against the above currencies at periods ends would have had the equal but opposites effect on the above currencies to the amount shown below, on the basis that all other variables remain constant.

	2015	2014
	------------------Rupees------------------	
US Dollar	(2,417,420.93)	(673,161)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the company.

34.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from long term financing and short term borrowings. At the balance sheet date the interest rate profile of the company's interest bearing financial instrument is as follows.

Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	518,396,633	310,633,800

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for June 30, 2014.

	Profit and loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Rupees			
Cash flow sensitivity - variable rate instruments 2015	11,584,793	(11,584,793)	-	-
Cash flow sensitivity - variable rate instruments 2014	600,180	(600,180)	-	-

34.4 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

34.5 Off balance sheet items

	2015	2014
	------------------Rupees------------------	
Contingencies		
Bills discounted with recourse	279,832,340	80,336,263
Bank guarantee issued in the ordinary course of business	14,363,510	14,363,510
Commitments		
Letter of credit for capital expenditures	-	88,371,435
Letter of credit for stores and spares parts	3,654,084	2,776,468

34.6 The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

35 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing, long term loan from directors, associates and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

Borrowings	798,639,991	576,326,794
Total equity	377,813,143	425,710,788
Total capital employed	1,176,453,134	1,002,037,582
Gearing ratio	67.89%	57.52%

36 PLANT CAPACITY AND PRODUCTION

It is difficult to describe precisely the production capacity in textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed and twist. It would also vary according to the pattern of production adopted in a particular year.

Total number of spindles installed	25,627	19,344
Total number of spindles worked	24,845	18,398
Number of shifts per day	3	3
Rated capacity converted at 20/1 count (Kgs.)	9,546,395	7,152,772
Actual production converted at 20/1 count (Kgs.)	10,103,849	6,802,802

36.1 It is difficult to precisely describe production capacity and the resultant production in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed, twist etc.

36.2 The difference between installed capacity and actual production is in normal course of business.

37 TRANSACTIONS WITH RELATED PARTIES

The company has related party relationship with its associated undertakings, its directors and key management personnel. Transactions with related parties essentially entail sale and purchase of goods and / or services from the aforementioned concerns. All transactions are carried out on commercial basis.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The company considers all members of their management team, including the chief executive officer and directors to be its key management personnel. There are no transactions with key management personnel other than under the terms of employment.

There are no transactions with key management personnel other than under their terms of employments / entitlements. Balance outstanding from related parties are unsecured and repayable on demand or as contracted. Amounts due to related parties are shown in the relevant notes to the financial statements. Long term financing from related parties, short term borrowings from related parties and remuneration of chief executive, directors and executives are disclosed in the relevant notes to the financial statements.

Details of transactions with related parties are as follows:
`

Nature of relationship	Nature of transactions / balances	2015	2014
		------------------Rupees	------------------
Directors	Long term financing from directors - transferred from short term borrowings	60,000,000	40,000,000
	Short term borrowings from directors - received	-	117,146,000
	Short term borrowings from directors - repaid	300,000	-
	Closing balance of long term financing from directors	164,802,100	104,802,100
	Closing balance of short term loans from directors	97,535,000	157,835,000
	Mark up on STL waived off by directors		4,505,724
Associated undertaking	Closing Balance of long term financing from associate undertaking	65,000,000	65,000,000
	Closing balance of short term borrowings from associate undertaking	20,000,000	-
	Short term borrowings from associated undertakings - received	80,000,000	-
	Short term borrowings from associated undertakings - repaid	60,000,000	-

38 NUMBER OF EMPLOYEES

	2015	2014
Total number of employees as at the year end	551	527
Average number of employees during the year	540	570

39 CORRESPONDING FIGURES

Figures have been rearranged / reclassified whenever necessary for the purpose of comparison. Following major reclassification / rearrangement was made in these financial statements.

Note	From	To	Reason	Amount
25.2	Cost of good manufactured - Other expenses	Cost of good manufactured - Repair and maintenance	Better presentation	3,959,904
25.2	Cost of good manufactured - Other expenses	Cost of good manufactured - Vehicle runnning expenses	Better presentation	2,501,461
25.2	Cost of good manufactured - Other expenses	Cost of good manufactured - Insurance expenses	Better presentation	4,382,941
25.2	Cost of good manufactured - Other expenses	Cost of good manufactured - Canteen subsidy	Better presentation	2,800,750

40 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on **October 9, 2015** by the board of directors of the company.

41 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE **DIRECTOR**

The Companies Ordince, 1984
(Section 236(1) and 464)

Pattern of Shareholding as at June 30, 2015

01.Incorporation Number **L-03969**

02.Name of Company **GLAMOUR TEXTILE MILLS LTD.**

03.Pattern of Shareholding as at **30-06-2015**

04.

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM		TO	TOTAL SHARES HELD
29	1	-	100	1,078
256	101	-	500	123,810
16	501	-	1,000	14,900
19	1,001	-	5,000	44,800
2	5,001	-	10,000	16,912
1	20,001	-	25,000	25,000
1	30,001	-	35,000	35,000
1	45,001	-	50,000	50,000
1	60,001	-	65,000	63,500
3	395,001	-	400,000	1,200,000
1	1,825,001	-	1,830,000	1,828,500
1	2,050,001	-	2,055,000	2,050,300
2	7,050,001	-	7,055,000	14,100,400
1	7,085,001	-	7,090,000	7,085,800
334				26,640,000

5.	Categories of shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, and their spouse and minor children	26,363,500	98.9621
5.2	Associated Companies, undertakings and related parties	0	0.0000
5.3	NIT and ICP	0	0.0000
5.4	Banks Development Financial Institutions, Non banking Financial Institutions	0	0.0000
5.5	Insurance Companies	0	0.0000
5.6	Modarabas and Mutal Funds	0	0.0000
5.7	Share holders holding 10%	23,078,200	86.6299
5.8	General Public		
	a. Local	275,999	1.0360
	b. Foreign	0	0.000
5.9	Others (to be specified)		
	Joint Stock Companies	501	0.0019

6.	Signature of Company Secretary	
7.	Name of Signature	Ishfaq Saeed
8.	Designation	Company Secretary
9.	NIC Number	
10.	Date	30 | 06 | 2015

Categories of Shareholders as required under C.C.G. as on June 30, 2015

S. No.	Name	Shares Held	%
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
1.	Directors, CEO, Their Spouses & Minor Children (name wise detail)		
1.	Mr. Asad Elahi	7,968,580	29.9121
2.	Mr. Azher Elahi	8,059,550	30.2536
3.	Mr. Ather Jawed Elahi	7,050,070	26.4642
4.	Mr. Mansoor Elahi	2,050,300	7.6963
5.	Mrs. Naureen Asad	400,000	1.5015
6.	Mrs. Shafqat Azher	400,000	1.5015
7.	Mrs. Mehnaz Ather Elahi	400,000	1.5015
8.	Mr. Fahad Elahi	35,000	0.1314
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companiesm, Takaful, Modarabas and Pension Funds:		-	-
Shareholders holding 5% or more of voting intrest in the listed company (name wise detail)			
1.	Mr. Asad Elahi	7,968,580	29.9121
2.	Mr. Azher Elahi	8,059,550	30.2536
3.	Mr. Ather Jawed Elahi	7,050,070	26.4642
4.	Mr. Mansoor Elahi	2,050,300	7.6963

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed: NIL