
DIRECTORS' REPORT

On behalf of the board of directors, I take pleasure to present 1st quarter report along with un-audited accounts for the quarter ended September 30, 2016

The financial results are summarized as under:

	30 September, 2016	30 September, 2015
	Rupees	Rupees
Sales	492,027,078	592 966 877
Gross Profit/(loss)	2,931	(5,040,268)
Profit/(loss) before taxation	(18,204,779)	(36,402,061)
Provision for taxation	(3,620,356)	1,325,974
Profit/(Loss) after tax	(21,825,135)	(35,076,087)
Earning per share	(0.82)	(1.32)

During current quarter, net sales of your Company have dropped by 17.02% year on year, due to drop in prices as well as decline in quantity. The cost of sales also decreased by 17.72% resulting in positive gross profit.

Future outlook is showing difficult time for textile industry due to drop in cotton crop size of next year, high cost of production and persistent shortage of electricity for industry along with recession in international market.

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

For and on behalf of Board of Directors

GLAMOUR TEXTILE MILLS LTD.,

AZHER ELAHI,
Chief Executive

Lahore, October 28, 2016.

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2016

	Note	Un-audited September 30, 2016 Rupees	Audited June 30, 2016 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,076,636,500	1,096,195,812
Long term deposits		5,767,739	5,767,739
		1,082,404,239	1,101,963,551
CURRENT ASSETS			
Stores, spare parts and loose tools		54,182,837	53,851,223
Stock in trade		91,621,980	236,276,697
Trade debts		149,517,310	94,308,910
Loans and advances		18,816,039	21,411,036
Trade deposits and short term prepayments		3,910,177	5,147,424
Tax refunds due from Government		67,369,580	63,150,907
Cash and bank balances		8,037,017	13,688,063
		393,454,940	487,834,260
		1,475,859,179	1,589,797,811
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
27,000,000 (June 30, 2016 : 27,000,000) Ordinary shares of Rs. 10 each		270,000,000	270,000,000
Issued, subscribed and paid up capital			
26,640,000 (June 30, 2016 : 26,640,000) Ordinary shares of Rs. 10 each fully paid in cash		266,400,000	266,400,000
Accumulated loss		(51,793,659)	(33,031,485)
		214,606,341	233,368,515
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		350,421,294	353,484,255
NON CURRENT LIABILITIES			
Long term financing from banking companies		64,784,446	64,784,446
Long term financing from directors and associates		188,908,096	183,693,140
DEFERRED LIABILITIES			
Staff retirement benefits - gratuity		28,359,002	28,232,702
Deferred taxation		59,642,955	60,955,652
CURRENT LIABILITIES			
Trade and other payables		183,887,834	171,058,418
Accrued mark up / interest		4,224,804	7,014,232
Current portion of long term financing		39,130,710	50,913,611
Short term borrowings		336,960,644	436,292,840
Provision for income tax		4,933,053	-
		569,137,045	665,279,101
CONTINGENCIES AND COMMITMENTS	6	-	-
		1,475,859,179	1,589,797,811

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

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Note	September 30, 2016	September 30, 2015
------(Rupees)-----			
Sales		492,027,078	592,966,877
Cost of sales	7	(492,024,147)	(598,007,145)
Gross profit /(loss)		2,931	(5,040,268)
Other operating income		294,646	-
Distribution cost		(959,560)	(10,866,285)
Administrative expenses		(5,324,320)	(6,519,013)
Finance cost		(12,218,476)	(13,976,495)
Income / (loss) before taxation		(18,204,779)	(36,402,061)
Taxation		(3,620,356)	1,325,974
Income / (loss) for the period		(21,825,135)	(35,076,087)
Earnings / (loss) per share - basic and diluted	8	(0.82)	(1.32)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	------(Rupees)-----
Income / (loss) for the period	(21,825,135) (35,076,087)
Total comprehensive income / (loss) for the period	(21,825,135) (35,076,087)

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

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	September 30, 2016	September 30, 2015
	RUPEES	
A CASH FLOWS FROM OPERATING ACTIVITIES		
Income / (loss) before taxation	(18,204,779)	(36,402,061)
<i>Adjustments for:</i>		
Depreciation	20,157,603	21,257,358
Provision for staff retirement benefits - gratuity	3,120,000	2,227,000
Finance cost	12,218,476	13,976,495
Provision for workers profit participation fund	-	-
Profit before changes in working capital	17,291,300	1,058,792
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(331,614)	(4,263,751)
Stock in trade	144,654,718	142,563,941
Trade debts	(55,208,401)	11,119,703
Loans and advances	2,594,998	8,110,147
Trade deposits and short term prepayments	1,237,247	(2,544,733)
Tax refunds due from Government	(3,117,912)	8,684,844
Increase in current liabilities		
Trade and other payables	12,829,416	256,698
	102,658,452	163,926,849
Cash used in operations	119,949,752	164,985,641
Payments for :		
Finance cost	(9,792,948)	(8,527,090)
Taxation	(1,100,761)	(3,541,553)
Staff retirement benefits - gratuity	(2,993,700)	(1,473,600)
	(13,887,409)	(13,542,243)
Net cash used in operating activities	106,062,343	151,443,398
B CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(598,291)	(5,078,687)
Long term deposits	-	(3,213,489)
Net cash used in investing activities	(598,291)	(8,292,176)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans from banking companies -repaid	(11,782,901)	(15,389,372)
Short term borrowings -net	(99,332,197)	(134,277,338)
Net cash used in financing activities	(111,115,098)	(149,666,710)
Net decrease in cash and cash equivalents (A+B+C)	(5,651,046)	(6,515,488)
Cash and cash equivalents at the beginning of the period	13,688,063	9,953,849
Cash and cash equivalents at the end of the period	8,037,017	3,438,361
Cash and cash equivalents		
Cash and bank balances	8,037,017	3,438,361
	8,037,017	3,438,361

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

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Share capital	Accumulated profit/(loss) (Rupees)	Total
Balance as at July 01, 2015	266,400,000	111,413,143	377,813,143
Total comprehensive income for the three months ended September 30,2015.	-	(35,076,087)	(35,076,087)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation	-	2,692,130	2,692,130
Balance as at September 30, 2015	<u>266,400,000</u>	<u>79,029,186</u>	<u>345,429,186</u>
Balance as at July 01, 2016	266,400,000	(33,031,485)	233,368,515
Total comprehensive income/(loss) for the three months ended September 30,2016.	-	(21,825,135)	(21,825,135)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation	-	3,062,961	3,062,961
Balance as at September 30, 2016	<u>266,400,000</u>	<u>(51,793,659)</u>	<u>214,606,341</u>

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

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

1 STATUS AND ACTIVITIES

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34, "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company as at and for the year ended 30th June, 2016.

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

These condensed interim financial statements comprise of condensed interim statement of financial position, condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes for the three months ended September 30, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 30 June, 2016 except amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and do not have any impact on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June, 2016.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2016.

	Note	September 30, 2016	June 30, 2016	
(Rupees)				
5 PROPERTY, PLANT AND EQUIPMENT				
Operating assets- owned		1,076,636,500	1,079,921,495	
Capital work in progress- at cost		1,076,636,500	1,079,921,495	
5.1 Operating assets - owned				
Opening written down value		1,096,195,812	1,079,921,495	
Revaluation adjustment			85,479,909	
Additions during the period	5.2	598,291	16,515,293	
		1,096,794,103	1,181,916,697	
Disposals during the period	5.2	-	(139,515)	
Depreciation during the period		(20,157,603)	(85,581,370)	
Closing written down value		1,076,636,500	1,096,195,812	
		September 30, 2016	June 30, 2016	
(Rupees)				
5.2 Additions and disposals during the period				
	Additions	Disposals	Additions	Disposals
Plant and machinery	-	-	16,515,293	-
Vehicles	598,291	-	-	(139,515)
	598,291	-	16,515,293	(139,515)

6 CONTINGENCIES AND COMMITMENTS

Contingencies

Bills discounted with recourse Rs. 24,321,544 (June 30, 2016 : Rs. 72,266,594).

Bank guarantee issued in the ordinary course of business Rs. 20,663,510 (June 30, 2016 : Rs. 18,263,510).

The company had filed suit in Honorable Lahore High Court against the recovery of arrears of gas infrastructure development cess (GIDC) on basis of Section 8 (2) of the Gas infrastructure development cess act 2015 (GIDC Act 2015) which categorically grant exemption to such industrial consumers of natural gas. The Honorable Court has granted an interim stay and restraining the Sui Northern Gas pipeline (SNGPL) from recovery of arear amount of GIDC. The matter is still pending in Honorable Courts.

Commitments

Letter of credit for stores and spares Rs. NIL (June 30, 2016 : Rs. 1,445,202).

7 COST OF SALES

	Quarter ended	
	September 30,	September 30,
	2016	2015
	(Rupees)	
Raw material consumed	334,415,079	412,521,097
Cost of raw material sold	4,941,209	10,765,019
Fuel and power	58,860,269	75,063,096
Stores and spares consumed	10,215,488	14,407,878
Salaries, wages and other benefits	38,554,969	43,462,320
Staff retirement benefits - gratuity	2,970,000	2,000,000
Packing material consumed	6,177,172	11,394,706
Depreciation	19,055,207	20,031,266
Repair and maintenance	551,154	1,195,324
Vehicle running expenses	345,934	390,227
Insurance expenses	1,137,930	1,171,135
Cotton cess	558,850	903,200
Other expenses	594,865	842,682
	478,378,126	594,147,950
Work in process		
Opening	12,556,224	11,316,951
Closing	(17,644,218)	(10,954,527)
	(5,087,994)	362,424
Cost of goods manufactured	473,290,132	594,510,374
Finished goods		
Opening	52,273,394	37,045,138
Closing	(33,539,379)	(33,548,367)
	18,734,015	3,496,771
	492,024,147	598,007,145

	September 30, 2016	September 30, 2015
	(Rupees)	
8 EARNINGS / (LOSS) PER SHARE		
Income / (loss) for the period	(21,825,135)	(35,076,087)
Weighted average number of ordinary shares	26,640,000	26,640,000
Earnings / (loss) per share - basic	<u>(0.82)</u>	<u>(1.32)</u>
There is no dilutive effect on basic earnings / (loss) per share of the company.		

	September 30, 2016	June 30, 2016
	(Rupees)	

9 RELATED PARTY TRANSACTIONS

Nature of transaction/ balances

Short term borrowings from director- received	17,500,000	-
Closing balance short term borrowings from directors	107,535,000	97,535,000
Closing balance long term financing from directors	164,802,100	164,802,100
Closing balance long term financing from associate undertaking	65,000,000	65,000,000
Closing balance short term borrowings from associated undertaking	50,000,000	50,000,000
Short term borrowings from associated undertaking- received	-	30,000,000

10 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **October 28, 2016** by the board of directors of the company.

11 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR