

DIRECTORS' REPORT

On behalf of the board of directors, I take pleasure to present interim financial statements for the half year ended December 31, 2016.

The financial results are summarized as under:

	Quarter Ended		Half Year Ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rupees	Rupees	Rupees	Rupees
Sales	611,788,428	438,160,098	1,103,815,505	1,031,126,975
Gross profit/(loss)	11,845,285	(22,657,406)	11,848,215	(27,697,674)
Profit/(loss) after tax	(16,556,343)	(51,461,843)	(40,819,123)	(86,537,930)
Earning per share	(0.62)	(1.93)	(1.53)	(3.25)

During the current half year sales revenue of your company of Rs.1.031 billion was 7.1% higher than the same period last year. However, sales volume of yarn at 3,957 MT is 9.38% lesser than the same period last year. The company posted gross profit of Rs.11.848 million as compare to Gross loss of Rs.27.697 million during the same period last year. The loss after tax is Rs.40.819 million as compared to Rs.86.537 million last year. This loss translates into negative EPS of Rs.-1.53 (same period Last Year negative EPS of Rs.-3.25).

The management of company is expecting reasonable positive results from 3rd quarter driven form growth in export of yarn.

We extend our gratitude to all banks for their continued support. The Directors would like to express their appreciation for the dedication and hard work of the workers, staff and members of management team.

For and on behalf of Board of Directors

GLAMOUR TEXTILE MILLS LTD.,

AZHER ELAHI,

Chief Executive

Lahore, Saturday, February 27, 2017

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

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Illinois, USA

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Glamour Textile Mills Limited** as at December 31, 2016, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (herein-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2016 and December 31, 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

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

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore:

Date: **27-Feb-2017**

MUSHTAQ & COMPANY

Chartered Accountants

Engagement Partner:

Zahid Hussain Zahid, ACA

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2016

	Note	Un-audited December 31, 2016 Rupees	Audited June 30, 2016 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	5	1,056,468,930	1,096,195,812
Long term deposits		5,767,739	5,767,739
		1,062,236,669	1,101,963,551
CURRENT ASSETS			
Stores, spare parts and loose tools		52,289,552	53,851,223
Stock in trade		572,993,260	236,276,697
Trade debts		57,071,556	94,308,910
Loans and advances		14,464,967	21,411,036
Trade deposits and short term prepayments		2,868,565	5,147,424
Tax refunds due from Government		71,001,743	63,150,907
Cash and bank balances		12,431,492	13,688,063
		783,121,135	487,834,260
		1,845,357,804	1,589,797,811
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised 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			
Unappropriated profit			
		266,400,000	266,400,000
		(67,724,686)	(33,031,485)
		198,675,314	233,368,515
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		347,358,333	353,484,255
NON CURRENT LIABILITIES			
Long term financing from banking companies		39,197,977	64,784,446
Long term financing from directors and associates		194,271,102	183,693,140
DEFERRED LIABILITIES			
Staff retirement benefits - gratuity		27,838,170	28,232,702
Deferred taxation		58,330,258	60,955,652
CURRENT LIABILITIES			
Trade and other payables		146,302,430	171,058,418
Accrued mark up / interest		8,194,806	7,014,232
Short term borrowings	6	759,649,211	436,292,840
Current portion of long term financing		54,452,216	50,913,611
Provision for taxation		11,087,987	-
		979,686,650	665,279,101
CONTINGENCIES AND COMMITMENTS			
	7	1,845,357,804	1,589,797,811

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

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2016

	Note	Quarter ended		Half year ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		Rupees	Rupees	Rupees	Rupees
Sales		611,788,428	438,160,098	1,103,815,505	1,031,126,975
Cost of sales	8	(599,943,143)	(460,817,504)	(1,091,967,290)	(1,058,824,649)
Gross profit/(Loss)		11,845,285	(22,657,406)	11,848,215	(27,697,674)
Other income		-	10,485	294,646	10,485
Distribution cost		(1,501,074)	(4,122,133)	(2,460,633)	(14,988,418)
Administrative expenses		(4,446,946)	(5,771,719)	(9,771,266)	(12,290,732)
Other operating expenses		(4,387,992)	(2,072,741)	(4,387,992)	(2,072,741)
Finance cost		(13,223,379)	(14,524,437)	(27,879,500)	(28,500,932)
Profit/(Loss) before taxation		(11,714,106)	(49,137,951)	(32,356,530)	(85,540,012)
Taxation		(4,842,237)	(2,323,892)	(8,462,593)	(997,918)
Profit / (loss) for the period		(16,556,343)	(51,461,843)	(40,819,123)	(86,537,930)
Earnings / (loss) per share - basic and diluted	9	(0.62)	(1.93)	(1.53)	(3.25)

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

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2016

	Quarter ended		Half year ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) for the period	(16,556,343)	(51,461,843)	(40,819,123)	(86,537,930)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	(16,556,343)	(51,461,843)	(40,819,123)	(86,537,930)

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

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half year ended	
	December 31, 2016	December 31, 2015
	(Rupees)	
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(32,356,530)	(85,540,012)
<i>Adjustments for:</i>		
Depreciation	40,325,173	42,687,240
Provision for staff retirement benefits - gratuity	6,240,000	5,391,570
Gain on disposal of property, plant and equipment	-	(10,485)
Finance cost	27,879,500	28,500,932
	42,088,143	(8,970,755)
(Loss) / profit before changes in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	1,561,671	(6,828,563)
Stock in trade	(336,716,563)	4,217,661
Trade debts	37,237,354	46,335,383
Loans and advances	6,946,069	(11,705,953)
Trade deposits and short term prepayments	2,278,859	(4,406,096)
Tax refunds due from Government	(5,410,267)	358,831
<i>Increase in current liabilities</i>		
Trade and other payables	(24,755,988)	(8,887,628)
	(318,858,865)	19,083,635
Cash generated / (used) in operations	(276,770,722)	10,112,880
Payments for :		
Finance cost paid	(16,120,963)	(21,003,241)
Staff retirement benefits - gratuity paid	(2,440,569)	(4,668,301)
Taxes paid	(6,634,532)	(6,577,384)
	(25,196,064)	(32,248,926)
Net cash used in operating activities	(301,966,786)	(22,136,046)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(598,291)	(3,148,768)
Sale proceed of fixed assets	-	150,000
Net cash used in investing activities	(598,291)	(2,998,768)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repayments	(22,047,864)	(30,868,915)
Short term borrowings	323,356,370	54,421,972
Net cash from financing activities	301,308,506	23,553,057
Net decrease in cash and cash equivalents (A+B+C)	(1,256,571)	(1,581,757)
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	12,431,492	8,372,092

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

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31 ,2016

	Share capital	Unappropriated profit (Rupees)	Total
Balance as at July 01, 2015	266,400,000	111,413,143	377,813,143
Total comprehensive income for the period	-	(86,537,930)	(86,537,930)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation	-	5,518,189	5,518,189
Balance as at December 31, 2015	266,400,000	30,393,402	296,793,402
Balance as at July 01, 2016	266,400,000	(33,031,485)	233,368,515
Total comprehensive loss for the period	-	(40,819,123)	(40,819,123)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation - net of tax	-	6,125,922	6,125,922
Balance as at December 31, 2016	266,400,000	(67,724,686)	198,675,314

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

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

1 LEGAL STATUS AND ACTIVITIES

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

This condensed interim financial information comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the half year ended December 31, 2016 which have been subject to a review but not audited. This condensed interim financial information also include the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2016.

3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

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

	Note	December 31, 2016	June 30, 2016
(Rupees)			
5 PROPERTY, PLANT AND EQUIPMENT			
Operating assets - owned	5.1	1,056,468,930	1,096,195,812
Capital work in progress - at cost		-	-
		1,056,468,930	1,096,195,812
5.1 Operating assets - owned			
Opening written down value		1,096,195,812	1,079,921,495
Revaluation during the year			85,479,909
Additions during the period / year	5.2	598,291	16,515,293
		1,096,794,103	1,181,916,697
Disposals during the period / year	5.2	-	(139,515)
Depreciation during the period / year		(40,325,173)	(85,581,370)
Closing written down value		1,056,468,930	1,096,195,812

December 31, 2016	June 30, 2016
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(Rupees)

5.2 Additions and disposals during the period / year

	Additions	Disposals	Additions	Disposals
Building	-	-	-	-
Plant and machinery	-	-	16,515,293	-
Furniture and fixture	-	-	-	-
Vehicles	598,291	-	-	(139,515)
	598,291	-	16,515,293	(139,515)

6 SHORT TERM BORROWINGS

	Note	December 31, 2016	June 30, 2016
		(Rupees)	
Secured			
From banking companies		594,614,211	288,757,840
Unsecured	6.1		
From directors		115,035,000	97,535,000
From associated undertaking		50,000,000	50,000,000
		759,649,211	436,292,840

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

7 CONTINGENCIES AND COMMITMENTS

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

7.1 Contingencies

Bills discounted with recourse Rs. 89,806,886 (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 arrear amount of GIDC. The matter is still pending in Honorable Courts.

7.2 Commitments

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

Quarter ended		Half year ended	
December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015

(Rupees)

8 COST OF SALES

Raw material consumed	447,550,708	315,829,695	781,965,787	728,350,792
Cost of raw material sold	10,608,963	2,287,493	15,550,172	13,052,512
Fuel and power	44,392,382	68,278,466	103,252,651	143,341,562
Stores and spares consumed	12,445,433	14,357,468	22,660,921	28,765,346
Salaries, wages and other benefits	38,422,777	35,762,402	76,977,746	79,224,722
Staff retirement benefits - gratuity	2,970,000	2,835,636	5,940,000	4,835,636
Packing material consumed	7,567,190	7,002,442	13,744,363	18,397,148
Depreciation	19,055,203	20,211,132	38,110,410	40,242,398
Repair and maintenance	698,631	528,452	1,249,785	1,723,776
Vehicle running expenses	344,841	437,962	690,774	828,189
Insurance expenses	1,182,676	1,258,425	2,320,606	2,429,560
Cotton cess	558,000	627,550	1,116,850	1,530,750
Other expenses	356,305	189,714	951,170	1,032,396
	586,153,109	469,606,837	1,064,531,235	1,063,754,787
Work in process				
Opening	17,644,218	10,954,527	12,556,224	11,316,951
Closing	(13,152,075)	(8,431,374)	(13,152,075)	(8,431,374)
	4,492,143	2,523,153	(595,851)	2,885,577
Cost of goods manufactured	590,645,252	472,129,990	1,063,935,384	1,066,640,364
Finished goods				
Opening	33,539,379	33,548,367	52,273,394	37,045,138
Closing	(24,241,488)	(44,860,853)	(24,241,488)	(44,860,853)
	9,297,891	(11,312,486)	28,031,906	(7,815,715)
	599,943,143	460,817,504	1,091,967,290	1,058,824,649

Quarter ended		Half year ended	
December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015

----- (Rupees) -----

9 EARNINGS / (LOSS) PER SHARE

Profit / (loss) for the period	(16,556,343)	(51,461,843)	(40,819,123)	(86,537,930)
Weighted average number of ordinary shares	26,640,000	26,640,000	26,640,000	26,640,000
earnings / (loss) per share - basic	<u>(0.62)</u>	<u>(1.93)</u>	<u>(1.53)</u>	<u>(3.25)</u>

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

December 31, 2016	June 30, 2016
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(Rupees)

10 RELATED PARTY TRANSACTIONS

Balance with related parties

Long term financing from directors	164,802,100	164,802,100
Long term financing from associated undertakings	65,000,000	65,000,000
Short term borrowings from directors	115,035,000	97,535,000
Short term borrowings from associated undertaking	50,000,000	50,000,000

December 31, 2016	December 31, 2015
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(Rupees)

Transaction with related parties

Short term borrowings from directors - received	17,500,000	-
Short term borrowings from associated undertaking - received	20,000,000	30,000,000
Short term borrowings from associated undertaking - repayment	20,000,000	

11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information have been authorized for issue on **February 27, 2017** by the board of directors of the company.

12 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR

Lahore: