



GLAMOUR TEXTILE MILLS LIMITED

DIRECTORS' REPORT

On behalf of the board of directors, I take pleasure to present condensed interim financial statements for period of nine months and the quarter ended March 31, 2017.

The financial results are summarized as under:

	Quarter Ended		Nine Months Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(R u p e e s)			
Sales	454,836,021	391,942,501	1,558,651,527	1,423,069,476
Gross profit	6,040,359	2,628,729	17,888,575	(33,858,276)
Profit/(loss) after tax	(20,177,820)	(21,862,556)	(60,996,942)	(119,149,663)
Earnings per share	(0.76)	(0.82)	(2.29)	(4.47)

The sales turnover for nine months shown growth of 9.52% from Rs.1,423 million to Rs.1,558 million . The increase in sales for quarter March 2017 quarter is 16.05%, from Rs. 391.942 million to Rs.454.836 million. The cost of sales of current nine months period is increased by 5.75 % from Rs.1,456 million to Rs.1,540 million. The increase in cost of sales for quarter March 2017 quarter is 12.73 % from Rs. 389.313 million to Rs.448.795 million. The total operating expenses for nine months are decreased by 1.31% from Rs. 79.918 million to Rs.67.187 million whereas in quarter ending March 2017 same expenses increased by 4.11% from Rs.22.076 million to Rs.22.982 million.

The company is working on to improve results by reducing cost and better sales prices. The company is focusing on products mix which increases our profitability.

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

For and on behalf of Board of Directors

GLAMOUR TEXTILE MILLS LTD.,

AZHER ELAHI,
Chief Executive

Lahore: April 26, 2017

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2017

	Note	Un-audited March 31, 2017 Rupees	Audited June 30, 2016 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,037,770,467	1,096,195,812
Long term deposits		5,767,739	5,767,739
		1,043,538,206	1,101,963,551
CURRENT ASSETS			
Stores, spare parts and loose tools		52,971,379	53,851,223
Stock in trade		417,929,672	236,276,697
Trade debts		49,867,068	94,308,910
Loans and advances		27,762,204	21,411,036
Trade deposits and short term prepayments		1,468,817	5,147,424
Tax refunds due from Government		74,346,008	63,150,907
Cash and bank balances		4,964,483	13,688,063
		629,309,631	487,834,260
		1,672,847,837	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
Unappropriated profit		(84,839,544)	(33,031,485)
		181,560,456	233,368,515
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		344,295,372	353,484,255
NON CURRENT LIABILITIES			
Long term financing from banking companies		26,382,739	64,784,446
Long term financing from directors and associate		199,786,360	183,693,140
DEFERRED LIABILITIES			
Staff retirement benefits - gratuity		27,445,900	28,232,702
Deferred taxation		57,017,561	60,955,652
CURRENT LIABILITIES			
Trade and other payables		127,036,209	171,058,418
Accrued mark up / interest		9,205,533	7,014,232
Short term borrowings	6	633,307,111	436,292,840
Current portion of long term financing		51,174,249	50,913,611
Provision for taxation		15,636,347	-
		836,359,449	665,279,101
CONTINGENCIES AND COMMITMENTS	7	-	
		1,672,847,837	1,589,797,811

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

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Note	Quarter Ended		Nine Months Ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
------(Rupees)-----					
Sales		454,836,021	391,942,501	1,558,651,527	1,423,069,476
Cost of sales	8	(448,795,662)	(389,313,772)	(1,540,762,952)	(1,456,927,753)
Gross profit / (loss)		6,040,359	2,628,729	17,888,575	(33,858,277)
Other operating income		-	-	294,646	10,485
Distribution cost		(433,325)	(1,206,586)	(2,893,958)	(16,195,004)
Administrative expenses		(4,081,109)	(5,444,859)	(13,852,375)	(17,735,593)
Other operating expenses		(272,785)	-	(4,660,777)	(2,072,741)
Finance cost		(18,195,297)	(13,464,949)	(46,074,797)	(43,925,724)
Income / (loss) before taxation		(16,942,157)	(17,487,665)	(49,298,686)	(113,776,854)
Taxation		(3,235,663)	(4,374,891)	(11,698,256)	(5,372,809)
Income / (loss) for the period		(20,177,820)	(21,862,556)	(60,996,942)	(119,149,663)
Earnings / (loss) per share - basic and diluted	9	(0.76)	(0.82)	(2.29)	(4.47)

Lahore : April 26, 2017

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Quarter Ended		Nine Months Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Profit for the period	(20,177,820)	(21,862,556)	(60,996,942)	(119,149,663)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	(20,177,820)	(21,862,556)	(60,996,942)	(119,149,663)

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

Lahore : April 26, 2017

CHIEF EXECUTIVE

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOWS STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Nine Months Ended	
	March 31, 2017	March 31, 2016
	(Rupees)	
A CASH FLOWS FROM OPERATING ACTIVITIES		
Income / (loss) before taxation	(49,298,686)	(113,776,854)
<i>Adjustments for:</i>		
Depreciation	60,492,748	64,133,173
Provision for staff retirement benefits - gratuity	9,360,000	7,902,570
Finance cost	46,074,797	43,925,724
(Profit) /Loss on sale of Fixed Assets		(10,485)
Profit before changes in working capital	66,628,859	2,174,128
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	879,843	(8,423,991)
Stock in trade	(181,652,974)	(36,408,215)
Trade debts	44,441,842	33,498,359
Loans and advances	(6,351,167)	3,962,221
Trade deposits and short term prepayments	3,678,607	(1,384,777)
Tax refunds due from Government	(7,784,649)	9,760,580
<i>Increase in current liabilities</i>		
Trade and other payables	(44,022,209)	27,799,882
	(190,810,707)	28,804,059
Cash used in operations	(124,181,848)	30,978,187
Payments for :		
Finance cost	(27,790,276)	(31,413,824)
Taxation	(3,410,452)	(8,790,227)
Staff retirement benefits - gratuity	(10,146,802)	(7,114,500)
	(41,347,530)	(47,318,551)
Net cash used in operating activities	(165,529,378)	(16,340,364)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(2,067,403)	(3,148,767)
Sale proceeds of Property, plant and equipment	-	150,000
Net cash used in investing activities	(2,067,403)	(2,998,767)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans repayments	(38,141,069)	(46,430,217)
Short term borrowings- net	197,014,270	61,436,542
Net cash used in financing activities	158,873,201	15,006,325
Net decrease in cash and cash equivalents (A+B+C)	(8,723,580)	(4,332,806)
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	4,964,483	5,621,043
Cash and cash equivalents		
Cash and bank balances	4,964,483	5,621,043
	4,964,483	5,621,043

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

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31 ,2017

	Share capital	Unappropriated profit	Total
	(Rupees)		
Balance as at July 01, 2015	266,400,000	111,413,143	377,813,143
Total comprehensive income for the period	-	(119,149,663)	(119,149,663)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation	-	8,277,284	8,277,284
Balance as at March 31, 2016	266,400,000	540,764	266,940,764
Balance as at July 01, 2016	266,400,000	(33,031,485)	233,368,515
Total comprehensive income/(loss) for the period	-	(60,996,942)	(60,996,942)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation - net of tax	-	9,188,883	9,188,883
Balance as at March 31, 2017	266,400,000	(84,839,544)	181,560,456

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

CHIEF EXECUTIVE

Lahore : April 26, 2017

DIRECTOR

GLAMOUR TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2017

1 STATUS AND ACTIVITIES

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34, "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company as at and for the year ended 30th June, 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 balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flows statement and condensed interim statement of changes in equity together with the notes for the nine months ended March 31, 2016. These condensed interim financial statements also include the condensed profit and loss account for the quarter ended March 31, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

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

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	March 31, 2017	June 30, 2016
(Rupees)			
5 PROPERTY, PLANT AND EQUIPMENT			
Operating assets - owned	5.1	1,036,301,355	1,096,195,812
Capital work in progress - at cost		1,469,112	-
		<u>1,037,770,467</u>	<u>1,096,195,812</u>
5.1 Operating assets - owned			
Opening written down value		1,096,195,812	1,079,921,495
Add: Revaluation of fixed assets		-	85,479,909
Additions during the period	5.2	598,291	16,515,293
		<u>1,096,794,103</u>	<u>1,181,916,697</u>
Disposals during the period	5.2	-	(139,515)
Depreciation during the period		(60,492,748)	(85,581,370)
Closing written down value		<u>1,036,301,355</u>	<u>1,096,195,812</u>

	March 31, 2017		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 SHORT TERM BORROWINGS

Secured

From banking companies

Unsecured

From directors

From associated undertaking

	March 31, 2017	June 30, 2016
	(Rupees)	
	468,272,111	288,757,840
	115,035,000	97,535,000
	50,000,000	50,000,000
	633,307,111	436,292,840

7 CONTINGENCIES AND COMMITMENTS

Contingencies

Bills discounted with recourse Rs. 75,839,000 (June 30, 2016 : Rs. 72,266,594).

Bank guarantees issued in the ordinary course of business Rs.20,653,510 (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.

Commitments

Letter of credit for capital expenditures Rs. 14,222,588 (June 30, 2016 : Rs. NIL).

Letter of credit for raw materials/stores & spares Rs. 53,198,269 (June 30, 2016 : Rs. 1,445,202).

	Quarter ended		Nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Rupees)			
8 COST OF SALES				
Raw material consumed	293,436,648	237,727,024	1,075,402,435	966,077,816
Cost of raw material sold	4,526,183	7,320,639	20,076,355	20,373,151
Fuel and power	62,837,663	47,713,978	166,090,314	191,055,540
Stores and spares consumed	10,195,839	9,359,136	32,856,760	38,124,482
Salaries, wages and other benefits	32,915,667	32,945,616	109,893,413	112,170,338
Staff retirement benefits - gratuity	2,970,000	2,250,000	8,910,000	7,085,636
Packing material consumed	5,399,789	5,421,021	19,144,152	23,818,168
Depreciation	19,055,208	20,227,184	57,165,618	60,469,582
Repair and maintenance	707,709	826,657	1,957,494	2,550,433
Vehicle running expenses	320,657	362,518	1,011,431	1,190,707
Insurance expenses	1,304,403	603,570	3,625,009	3,033,130
Cotton cess	522,000	431,000	1,638,850	1,961,750
Other expenses	356,392	159,480	1,307,562	1,191,876
	434,548,158	365,347,823	1,499,079,393	1,429,102,609
Work in process				
Opening	13,152,075	10,954,527	12,556,224	11,316,951
Closing	(14,135,114)	(10,998,003)	(14,135,114)	(10,998,003)
	(983,039)	(43,476)	(1,578,890)	318,948
Cost of goods manufactured	433,565,119	365,304,347	1,497,500,503	1,429,421,557
Finished goods				
Opening	24,241,488	33,548,367	52,273,394	37,045,138
Closing	(9,010,945)	(9,538,942)	(9,010,945)	(9,538,942)
	15,230,543	24,009,425	43,262,449	27,506,196
	448,795,662	389,313,772	1,540,762,952	1,456,927,753

	Quarter ended		Nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
----- (Rupees) -----				
9 EARNINGS / (LOSS) PER SHARE				
Income / (loss) for the period	(20,177,820)	(21,862,556)	(60,996,942)	(119,149,663)
Weighted average number of ordinary shares	26,640,000	26,640,000	26,640,000	26,640,000
Earnings / (loss) per share - basic	(0.76)	(0.82)	(2.29)	(4.47)

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

March 31, 2017	June 30, 2016
(Rupees)	

10 RELATED PARTY TRANSACTIONS

Balance with related parties (without present value adjustment)

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

Transaction with related parties

Short term borrowings from director/ associated undertaking - received	17,500,000	30,000,000
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11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **April 26, 2017** by the board of directors of the company.

12 GENERAL

Figures have been rounded off to the nearest rupee.

Lahore : April 26, 2017

CHIEF EXECUTIVE

DIRECTOR