
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, 2017

The financial results are summarized as under:

	30 September, 2017	30 September, 2016
	Rupees	Rupees
Sales	592,058,475	492,027,078
Gross Profit/(loss)	7,338,532	2,931
Loss before taxation	(9,587,962)	(18,204,779)
Provision for taxation	(6,207,951)	(3,620,356)
Loss after tax	(15,795,913)	(21,825,135)
Earning per share	(0.59)	(0.82)

During current quarter, net sales of your Company have grown by 20.33% as compared to last year quarter. The cost of sales also increased by 18.84% in spite of that gross profit shown healthy results.

Future outlook is showing difficult time for textile industry because production cost is keep on increasing due to unfavourable economic policies of the present government.

The Directors of your Company wish to thankful to the Banks for the financial support and cooperation 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 27, 2017.

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2017

	Note	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,014,528,775	1,018,364,759
Long term deposits		5,767,739	5,767,739
		1,020,296,514	1,024,132,498
CURRENT ASSETS			
Stores, spare parts and loose tools		51,967,915	49,587,659
Stock in trade		99,604,349	181,958,250
Trade debts		59,355,062	65,724,056
Loans and advances		27,393,277	36,622,810
Trade deposits and short term prepayments		4,271,343	261,573
Tax refunds due from Government		70,396,423	63,266,397
Cash and bank balances		4,630,922	8,394,882
		317,619,291	405,815,627
		1,337,915,805	1,429,948,125
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
27,000,000 (June 30, 2017 : 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, 2017 : 26,640,000) Ordinary shares of Rs. 10 each fully paid in cash		266,400,000	266,400,000
Accumulated loss		(94,172,404)	(81,158,837)
		172,227,596	185,241,163
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		338,450,064	341,232,410
NON CURRENT LIABILITIES			
Long term financing from banking companies		13,531,602	13,531,602
Long term financing from directors/sponsors and associates		209,328,592	203,549,913
DEFERRED LIABILITIES			
Staff retirement benefits - gratuity		26,241,995	26,031,995
Deferred taxation		54,512,083	55,704,863
CURRENT LIABILITIES			
Trade and other payables		101,071,030	93,115,273
Accrued mark up / interest		3,816,030	6,292,956
Current portion of long term financing		369,494,190	454,011,207
Short term borrowings		41,841,892	51,236,743
Provision for income tax		7,400,731	-
		523,623,873	604,656,179
CONTINGENCIES AND COMMITMENTS	6	-	-
		1,337,915,805	1,429,948,125

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, 2017

	Note	September 30, 2017	September 30, 2016
------(Rupees)-----			
Sales		592,058,476	492,027,078
Cost of sales	7	(584,719,944)	(492,024,147)
Gross profit / (loss)		7,338,532	2,931
Other operating income		-	294,646
Distribution cost		(548,996)	(959,560)
Administrative expenses		(5,037,767)	(5,324,320)
Finance cost		(11,339,731)	(12,218,476)
Income / (loss) before taxation		(9,587,962)	(18,204,779)
Taxation		(6,207,951)	(3,620,356)
Income / (loss) for the period		(15,795,913)	(21,825,135)
Earnings / (loss) per share - basic and diluted	8	(0.59)	(0.82)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		------(Rupees)-----	
Income / (loss) for the period		(15,795,913)	(21,825,135)
Total comprehensive income / (loss) for the period		(15,795,913)	(21,825,135)

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, 2017

	September 30, 2017	September 30, 2016
RUPEES		
A CASH FLOWS FROM OPERATING ACTIVITIES		
Income / (loss) before taxation	(9,587,962)	(18,204,779)
<i>Adjustments for:</i>		
Depreciation	18,473,225	20,157,603
Provision for staff retirement benefits - gratuity	3,120,000	3,120,000
Finance cost	11,339,731	12,218,476
Profit before changes in working capital	23,344,994	17,291,300
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(2,380,256)	(331,614)
Stock in trade	82,353,901	144,654,718
Trade debts	6,368,993	(55,208,401)
Loans and advances	9,229,533	2,594,998
Trade deposits and short term prepayments	(4,009,770)	1,237,247
Tax refunds due from Government	(3,470,532)	(3,117,912)
<i>Increase in current liabilities</i>		
Trade and other payables	7,955,757	12,829,416
	96,047,626	102,658,452
Cash used in operations	119,392,620	119,949,752
Payments for :		
Finance cost	(8,037,978)	(9,792,948)
Taxation	(3,659,494)	(1,100,761)
Staff retirement benefits - gratuity	(2,910,000)	(2,993,700)
	(14,607,472)	(13,887,409)
Net cash used in operating activities	104,785,148	106,062,343
B CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(14,637,241)	(598,291)
Net cash used in investing activities	(14,637,241)	(598,291)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans from banking companies -repaid	(9,394,850)	(11,782,901)
Short term borrowings -net	(84,517,017)	(99,332,197)
Net cash used in financing activities	(93,911,867)	(111,115,098)
Net decrease in cash and cash equivalents (A+B+C)	(3,763,960)	(5,651,046)
Cash and cash equivalents at the beginning of the period	8,394,882	13,688,063
Cash and cash equivalents at the end of the period	4,630,922	8,037,017
Cash and cash equivalents		
Cash and bank balances	4,630,922	8,037,017

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, 2017

	Share capital	Accumulated profit/(loss)	Total
	(Rupees)		
Balance as at July 01, 2016	266,400,000	(33,031,485)	233,368,515
Total comprehensive income 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>
Balance as at July 01, 2017	266,400,000	(81,158,837)	185,241,163
Total comprehensive income/(loss) for the three months ended September 30,2017.	-	(15,795,913)	(15,795,913)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation	-	2,782,346	2,782,346
Balance as at September 30, 2017	<u>266,400,000</u>	<u>(94,172,404)</u>	<u>172,227,596</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, 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 -Raivind 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, 2017.

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, 2017.

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, 2017.

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 2017.

	Note	September 30, 2017	June 30, 2017
(Rupees)			
5 PROPERTY, PLANT AND EQUIPMENT			
Operating assets- owned		1,014,528,775	1,016,793,418
Capital work in progress- at cost			1,571,341
		<u>1,014,528,775</u>	<u>1,018,364,759</u>
5.1 Operating assets - owned			
Opening written down value		1,016,793,418	1,096,195,812
Revaluation adjustment			-
Additions during the period	5.2	16,208,582	1,268,855
		<u>1,033,002,000</u>	<u>1,097,464,667</u>
Disposals during the period	5.2	-	-
Depreciation during the period		(18,473,225)	(80,671,249)
Closing written down value		<u>1,014,528,775</u>	<u>1,016,793,418</u>
		<u>September 30, 2017</u>	<u>June 30, 2017</u>
(Rupees)			
5.2 Additions and disposals during the period			
	Additions	Disposals	Additions
			Disposals
Plant and machinery	16,208,582	-	1,268,855
	<u>16,208,582</u>	<u>-</u>	<u>1,268,855</u>

6 CONTINGENCIES AND COMMITMENTS

Contingencies

Bills discounted with recourse Rs. 85,359,941 (June 30, 2017 : Rs. 109,103,499).

Bank guarantee issued in the ordinary course of business Rs. 20,663,510 (June 30, 2017 : Rs. 20,663,510).

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 Honorable Court has referred the matter to a high power committee of Sui Northern Gas Pipeline (SNGPL).

Commitments

Letter of credit for stores and spares Rs. NIL (June 30, 2017 : Rs. 1,616,641).

7 COST OF SALES

	Quarter ended	
	September 30,	September 30,
	2017	2016
	(Rupees)	
Raw material consumed	426,966,912	334,415,079
Cost of raw material sold	10,843,150	4,941,209
Fuel and power	66,847,212	58,860,269
Stores and spares consumed	13,134,946	10,215,488
Salaries, wages and other benefits	40,926,270	38,554,969
Staff retirement benefits - gratuity	2,970,000	2,970,000
Packing material consumed	6,480,045	6,177,172
Depreciation	17,492,862	19,055,207
Repair and maintenance	1,020,093	551,154
Vehicle running expenses	353,302	345,934
Insurance expenses	1,113,344	1,137,930
Cotton cess	631,100	558,850
Other expenses	665,780	594,865
	589,445,016	478,378,126
Work in process		
Opening	17,319,796	12,556,224
Closing	(21,163,348)	(17,644,218)
	(3,843,552)	(5,087,994)
Cost of goods manufactured	585,601,464	473,290,132
Finished goods		
Opening	12,212,197	52,273,394
Closing	(13,093,717)	(33,539,379)
	(881,520)	18,734,015
	584,719,944	492,024,147

	September 30, 2017	September 30, 2016
	(Rupees)	
8 EARNINGS / (LOSS) PER SHARE		
Income / (loss) for the period	(15,795,913)	(21,825,135)
Weighted average number of ordinary shares	26,640,000	26,640,000
Earnings / (loss) per share - basic	<u>(0.59)</u>	<u>(0.82)</u>
There is no dilutive effect on basic earnings / (loss) per share of the company.		

	September 30, 2017	June 30, 2017
	(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	115,035,000	115,035,000
Closing balance long term financing from directors	229,802,100	164,802,100
Closing balance long term financing from associate undertaking	-	65,000,000
Closing balance short term borrowings from associated undertaking	50,000,000	50,000,000
Short term borrowings from associated undertaking- received	-	50,000,000

10 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **October 27, 2017** by the board of directors of the company.

11 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR