



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, 2018.

The financial results are summarized as under:

	Quarter Ended		Nine Months Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(R u p e e s)			
Sales	531,729,801	454,836,021	1,845,147,425	1,558,651,527
Gross profit	25,098,714	6,040,359	53,926,067	17,888,575
Profit/(loss) after tax	1,533,862	(16,222,564)	(20,716,544)	(49,455,722)
Earnings/(loss) per share	0.06	(0.61)	(0.78)	(1.86)

The sales revenues for nine months shown growth of 18.38% from Rs.1,559 million to Rs.1,845 million . The cost of sales of current nine months period is increased by 16.26 % from Rs.1,541 million to Rs.1,791 million. The total operating expenses for nine months are decreased by 0.63% from Rs. 55.646 million to Rs.55.297 million.

The company is working on to improve production efficiency to get better results in final quarter of current financial year. After considering market demand the marketing department is selecting products which increase profitability and discarding products which have negative contribution.

The Pakistan Stock Exchange Limited vide their letter No.PSX/N-2454 dated April 19, 2018, has accepted request of voluntary delisting of our company. Accordingly, the company shall stand delisted from the Exchange with effect from May 21, 2018.

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 27, 2018

GLAMOUR TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2018

	Note	Un-audited March 31, 2018 Rupees	Audited June 30, 2017 Rupees Restated	Audited June 30, 2016 Rupees Restated
ASSETS				
NON - CURRENT ASSETS				
Property, plant and equipment	6	982,840,012	1,018,364,759	1,096,195,812
Long term deposits		5,767,739	5,767,739	5,767,739
		988,607,751	1,024,132,498	1,101,963,551
CURRENT ASSETS				
Stores, spare parts and loose tools		56,578,003	49,587,659	53,851,223
Stock in trade		598,546,264	181,958,250	236,276,697
Trade debts		52,367,172	65,724,056	94,308,910
Loans and advances		35,241,520	36,622,810	21,411,036
Trade deposits and short term prepayments		2,276,595	261,573	5,147,424
Tax refunds due from Government		75,758,357	63,266,397	63,150,907
Cash and bank balances		8,797,239	8,394,882	13,688,063
		829,565,150	405,815,627	487,834,260
		1,818,172,901	1,429,948,125	1,589,797,811
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorised capital 27,000,000 (June 30, 2017 : 27,000,000) Ordinary shares of Rs. 10 each		270,000,000	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	266,400,000
Equity portion of director/sponsors loans	7	229,802,100	164,802,100	164,802,100
Accumulated loss		(115,137,390)	(99,985,538)	(66,098,430)
Total equity		381,064,710	331,216,562	365,103,670
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		335,667,718	341,232,410	353,484,255
NON CURRENT LIABILITIES				
Long term financing from banking companies		6,765,799	13,531,602	64,784,446
Long term financing from directors and associates	7.1	-	57,574,514	51,957,985
DEFERRED LIABILITIES				
Staff retirement benefits - gratuity		27,738,361	26,031,995	28,232,702
Deferred taxation		52,127,561	55,704,863	60,955,652
CURRENT LIABILITIES				
Trade and other payables		161,883,558	93,115,273	171,058,418
Accrued mark up / interest		9,456,000	6,292,956	7,014,232
Short term borrowings	8	797,557,992	454,011,207	436,292,840
Current portion of long term financing		22,988,305	51,236,743	50,913,611
Provision for taxation		22,922,897	-	-
		1,014,808,752	604,656,179	665,279,101
CONTINGENCIES AND COMMITMENTS	9			
		1,818,172,901	1,429,948,125	1,589,797,811

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

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2018

	Note	Quarter ended		Nine months ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Rupees	Rupees Restated	Rupees	Rupees Restated
Sales		531,729,801	454,836,021	1,845,147,425	1,558,651,527
Cost of sales	10	(506,631,087)	(448,795,662)	(1,791,221,358)	(1,540,762,952)
Gross profit		25,098,714	6,040,359	53,926,067	17,888,575
Other income		396,542	-	396,542	294,646
Distribution cost		(855,037)	(433,325)	(3,986,407)	(2,893,958)
Administrative expenses		(4,411,183)	(4,081,109)	(14,216,929)	(13,852,375)
Other operating expenses		-	(272,785)	(762,881)	(4,660,777)
Finance cost		(13,181,292)	(14,240,041)	(36,727,341)	(34,533,577)
Profit/(Loss) before taxation		7,047,744	(12,986,901)	(1,370,949)	(37,757,466)
Taxation		(5,513,882)	(3,235,663)	(19,345,595)	(11,698,256)
Profit/(Loss) for the period		<u>1,533,862</u>	<u>(16,222,564)</u>	<u>(20,716,544)</u>	<u>(49,455,722)</u>
Loss per share - basic and diluted	11	<u>0.06</u>	<u>(0.61)</u>	<u>(0.78)</u>	<u>(1.86)</u>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2018

	Quarter ended		Nine months ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rupees	Rupees Restated	Rupees	Rupees Restated
Profit/(Loss) for the period	1,533,862	(16,222,564)	(20,716,544)	(49,455,722)
Other comprehensive income for the period	-	-	-	-
Total comprehensive Profit/(loss) for the period	<u>1,533,862</u>	<u>(16,222,564)</u>	<u>(20,716,544)</u>	<u>(49,455,722)</u>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2018

	Nine Months Ended	
	March 31, 2018	March 31, 2017
	(Rupees)	(Rupees) Restated
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(1,370,949)	(37,757,466)
Adjustments for:		
Depreciation	55,791,943	60,492,748
Provision for staff retirement benefits - gratuity	9,360,000	9,360,000
Gain on disposal of property, plant and equipment	(33,968)	-
Finance cost	36,727,341	34,533,577
Profit before changes in working capital	100,474,367	66,628,859
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(6,990,344)	879,843
Stock in trade	(416,588,014)	(181,652,974)
Trade debts	13,356,884	44,441,842
Loans and advances	1,381,290	(6,351,167)
Trade deposits and short term prepayments	(2,015,022)	3,678,607
Tax refunds due from Government	(1,642,146)	(7,784,649)
Increase in current liabilities		
Trade and other payables	68,768,285	(44,022,209)
	(343,729,067)	(190,810,707)
Cash used in operations	(243,254,700)	(124,181,848)
Payments for :		
Finance cost paid	(26,138,812)	(27,790,276)
Staff retirement benefits - gratuity paid	(7,653,634)	(10,146,802)
Taxes paid	(10,849,814)	(3,410,452)
	(44,642,260)	(41,347,530)
Net cash used in operating activities	(287,896,960)	(165,529,378)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(20,833,228)	(2,067,403)
Sale proceed of fixed assets	600,000	-
Net cash used in investing activities	(20,233,228)	(2,067,403)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repayments	(35,014,240)	(38,141,069)
Short term borrowings	343,546,785	197,014,270
Net cash from financing activities	308,532,545	158,873,201
Net increase/(decrease) in cash and cash equivalents (A+B+C)	402,357	(8,723,580)
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	8,797,239	4,964,483

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

GLAMOUR TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

	Share capital	Equity portion of directors/sponsors loans	Unappropriated profit	Total
	(Rupees)			
Balance as at July 01, 2016 (Originally Reported)	266,400,000	-	(33,031,485)	233,368,515
Effect of retrospective application of change in an accounting policy referred in note 4		164,802,100	(33,066,945)	131,735,155
Balance as at July 01, 2016(Restated)	266,400,000	164,802,100	(66,098,430)	365,103,670
Total comprehensive loss for the period (Restated)	-	-	(49,455,722)	(49,455,722)
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation	-	-	9,188,883	9,188,883
Balance as at March 31, 2017 (Restated)	<u>266,400,000</u>	<u>164,802,100</u>	<u>(106,365,269)</u>	<u>324,836,831</u>
Balance as at July 01, 2017(Restated)	266,400,000	164,802,100	(99,985,538)	331,216,562
Total comprehensive loss for the period	-		(20,716,544)	(20,716,544)
Transaction with owners	-	65,000,000	-	65,000,000
Transfer from revaluation surplus of property, plant and equipment on account of incremental depreciation - net of tax	-	-	5,564,692	5,564,692
Balance as at March 31, 2018	<u>266,400,000</u>	<u>229,802,100</u>	<u>(115,137,390)</u>	<u>381,064,710</u>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

GLAMOUR TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

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 Ltd. The 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

According to EOGM held on January 30, 2018, shareholders have passed special resolution for voluntary delisting of the company and sponsors allowed to buy back shares from minority shareholders with in period of 60 days ending on April 6, 2018 thereafter Pakistan Stock Exchange Ltd have issue order of delisting w.e.f. May 21, 2018.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The Companies Act, 2017 has been promulgated with effect from May 30, 2017. However, as per the requirements of Circular # 23 of 2017 dated October 4, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) and related clarification issued by the Institute of Chartered Accountants of Pakistan through its Circular # 17 of 2017 dated October 6, 2017, companies whose financial year, including quarterly and other interim period, closes on or before December 31, 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance).

This condensed interim financial information of the company for nine months ended 31st March 2018 is un-audited and has been prepared in accordance with the requirements of the IAS 34 Interim Financial Reporting and provisions of and directives issued by Securities and Exchange Commission of Pakistan under the repealed Companies Ordinance, 1984 (The Ordinance). 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 regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

These condensed interim financial information comprise of condensed 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 nine months ended March 31, 2018. These condensed interim financial information also include the condensed interim profit and loss account for the quarter ended March 31, 2018.

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, 2017. Except for change in policy given below in note 4

4 CHANGE IN ACCOUNTING POLICY

Previously company was applying International Accounting Standard - 39, 'Financial Instruments: Recognition and Measurements' for recording of director's loan. During the year, the company has adopted Technical Release-32, 'Accounting Director's Loan' for accounting of new and old loans from directors which are payable at discretion of the entity. This technical release requires the company to record director's loan as equity at face value, that is repayable at the discretion of the entity. This will not be subsequently remeasured and any decision by the entity at any time in future to deliver cash or any other financial asset to settle the loan would be a direct debit to equity.

This change in policy has been accounted for retrospectively as required under International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors', and comparative financial statements have

Effect of change in the accounting policy have been summarized below:

	Audited June 30, 2017	Audited June 30, 2016
Impact on Balance Sheet		
	Rupees	Rupees
Increase in equity portion of directors' loan	164,802,100	164,802,100
Increase in accumulated loss	18,826,701	33,066,945
Decrease in long term financing from directors & associates	145,975,399	131,735,155
	Audited June 30, 2017	Nine Months ended March 31, 2016
Impact on Statement of change in equity		
Net increase in brought forward balance	131,735,155	131,735,155
Decrease in comprehensive loss for the period	14,240,244	11,541,220
Net increase in closing balance	145,975,399	143,276,375
	Quarter ended March 31, 2016	Nine Months ended March 31, 2016
Impact on Profit and loss account		
Decrease in finance cost	3,955,256	11,541,220

4.1 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.

5 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 5.1 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

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, 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 June 30, 2017.

	Note	Un-Audited March 31, 2018	Audited June 30, 2017
(Rupees)			
6 PROPERTY, PLANT AND EQUIPMENT			
Operating assets - owned	6.1	982,840,012	1,016,793,418
Capital work in progress - at cost		-	1,571,341
		982,840,012	1,018,364,759
6.1 Operating assets - owned			
Opening written down value		1,016,793,418	1,096,195,812
Additions during the period / year	6.2	22,404,569	1,268,855
		1,039,197,987	1,097,464,667
Disposals during the period / year	6.2	(566,032)	-
Depreciation during the period / year		(55,791,943)	(80,671,249)
Closing written down value		982,840,012	1,016,793,418
		Un-Audited March 31, 2018	Audited June 30, 2017
(Rupees)			

6.2 Additions and disposals during the period / year

	Additions	Disposals	Additions	Disposals
Building on freehold land	-	-	625,164	-
Plant and machinery	19,702,569	-	-	-
Furniture and fixture	12,500	-	643,691	-
Vehicles	2,689,500	(566,032)	-	-
	22,404,569	(566,032)	1,268,855	-

		Un-audited March 31, 2018 Rupees	Audited June 30, 2017 Rupees Restated
7 LONG TERM FINANCING FROM DIRECTORS/SPONSORS AND ASSOCIATES			
Unsecured - from related parties			
Associated undertaking	7.1	-	57,574,514
		-	57,574,514
7.1 Long term loan form Associated undertaking			
Interest free loan - gross		-	65,000,000
Present value adjustments - notional income		-	(7,425,486)
		-	57,574,514
7.2 Opening balance of Present value of interest free loan from associates			
Transfer to directors loans during the period		57,574,514	51,957,985
Amortized during the period		(65,000,000)	-
		7,425,486	5,616,529
Closing balance of Present value of interest free loan from associates		-	57,574,514

- 7.3 Equity Portion of Directors/Sponsors Loans: At 1 October 2017 management of the company has acquired new loan from directors and revised the terms of old agreement with the directors for every old and new loans. According to new terms of agreement, all amounts of director loans shall be repayed only at discretion of the entity and is accounted for under the 'Technical Release - 32' classified under equity. The retrospective effect of same has been described in Note 4.

According to the old agreement, loan from directors and associated undertaking were to be paid in lump sum on 31 July 2018. These loans had been recognised at amortised cost as provided in IAS 39 'Financial Instrument-recognition and measurement' as they were interest free, long term and unsecured.

- 7.4 Out of total loan from directors, Rs. 133,000,000 (June 30, 2017 : Rs. 133,000,000) is subordinated to financing from two banking companies.

8 SHORT TERM BORROWINGS	Note	Un-Audited	Audited
		March 31, 2018	June 30, 2017
(Rupees)			
Secured			
From banking companies		572,522,992	288,976,207
Unsecured	8.1		
From directors/sponsors		115,035,000	115,035,000
From associated undertaking		110,000,000	50,000,000
		797,557,992	454,011,207

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

9 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 9.1 and 9.2 respectively.

9.1 Contingencies

Bills discounted with recourse Rs. 194,415,738 (June 30, 2017 : Rs.109,103,499).

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

9.2 Commitments

Letter of credit for Capital Expenditures Rs. NIL (June 30, 2017 : Rs.14,793,575).

Letter of credit for stores and spares Rs. 1,306,544 (June 30, 2017 : Rs.1,616,641).

Letter of credit for raw materials Rs. NIL (June 30, 2017 : Rs.40,463,056).

	Un-Audited		Un-Audited	
	Quarter ended		Nine months ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(Rupees)				
10 COST OF SALES				
Raw material consumed	370,458,217	293,436,648	1,335,698,792	1,075,402,435
Cost of raw material sold	-	4,526,183	15,997,890	20,076,355
Fuel and power	56,201,955	62,837,663	193,190,164	166,090,314
Stores and spares consumed	15,015,067	10,195,839	41,192,951	32,856,760
Salaries, wages and other benefits	37,300,113	32,915,667	122,071,144	109,893,413
Staff retirement benefits - gratuity	2,970,000	2,970,000	8,910,000	8,910,000
Packing material consumed	6,850,288	5,399,789	21,406,329	19,144,152
Depreciation	17,715,282	19,055,208	52,865,195	57,165,618
Repair and maintenance	2,430,504	707,709	4,694,434	1,957,494
Vehicle running expenses	449,333	320,657	1,182,688	1,011,431
Insurance expenses	1,237,642	1,304,403	3,522,258	3,625,009
Cotton cess	492,750	522,000	2,040,250	1,638,850
Other expenses	435,927	356,392	1,585,920	1,307,562
	511,557,078	434,548,158	1,804,358,015	1,499,079,393
Work in process				
Opening	17,843,438	13,152,075	17,319,796	12,556,224
Closing	(14,331,372)	(14,135,114)	(14,331,372)	(14,135,114)
	3,512,066	(983,039)	2,988,424	(1,578,890)
Cost of goods manufactured	515,069,144	433,565,119	1,807,346,439	1,497,500,503
Finished goods				
Opening	19,899,221	24,241,488	12,212,197	52,273,394
Closing	(28,337,278)	(9,010,945)	(28,337,278)	(9,010,945)
	(8,438,057)	15,230,543	(16,125,081)	43,262,449
	506,631,087	448,795,662	1,791,221,358	1,540,762,952
----- (Rupees) -----				
	Un-Audited		Un-Audited	
	Quarter ended		Half year ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017

11 EARNINGS / (LOSS) PER SHARE

		Restated		Restated
Profit / (loss) for the period	1,533,862	(16,222,564)	(20,716,544)	(49,455,722)
Weighted average number of ordinary shares	26,640,000	26,640,000	26,640,000	26,640,000
earnings / (loss) per share - basic	0.06	(0.61)	(0.78)	(1.86)

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

Un-Audited	Audited
March 31, 2018	June 30, 2017

(Rupees)

12 RELATED PARTY TRANSACTIONS

Balance with related parties		
Long term financing from directors/sponsors	229,802,100	164,802,100
Long term financing from associated undertakings	-	65,000,000
Short term borrowings from directors	115,035,000	115,035,000
Short term borrowings from associated undertaking	110,000,000	50,000,000

March 31, 2018	March 31, 2017
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(Rupees)

Transaction with related parties		
Long term financing from directors (transfer from associated undertaking)	65,000,000	-
Long term financing from associated undertakings (transfer to directors)	65,000,000	-
Short term borrowings from directors - received	-	17,500,000
Short term borrowings from associated undertaking - received	187,500,000	20,000,000
Short term borrowings from associated undertaking - repayment	127,500,000	20,000,000

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information have been authorized for issue on April 27, 2018 by the board of directors of the company.

14 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER