Company Information

Chairman
Mr. Asad Elahi

Chief Executive
Mr.Azher Elahi

Directors
Mr. Ather J. Elahi
Mr. Mansoor Elahi
Mr. Fahad Elahi
Mr. Saad Elahi
Mr. Taimoor Elahi
Mr. Shaheryar Elahi
Mr. Misbahuddin Commodor (Rted)

Audit Committee
Mr. Misbahuddin Commodor (Rted) (Chairman)
Mr. Saad Elahi (Member)
Mr. Taimoor elahi (Member)

HR & Remuneration Committee
Mr. Misbahuddin Commodor (Rted) (Chairman)
Mr. Asad Elahi (Member)
Mr. Mansoor Elahi (Member)

Chief Financial Officer & Company Sectretary
Mr. Ishfaq Saeed

Auditors:
Mushtaq & Co.,
Chartered Accountants

Bankers:
Soneri Bank Ltd.
JS Bank Ltd
Bank Al Habib Ltd

Share Registrar:
Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial Model Town Lahore. Ph:042035916714-9, Email:corplink@gmail.com

Registere Office
11 kms Managa Raiwind Road Distt. Lahore. Ph: 04235392794-5 Eamil: info@galmourtextiles.com

DIRECTORS' REPORT

On behalf of the board of directors, I take pleasure to present Annual Report along with the Audited Accounts of the company pertaining to the financial year ending on June 30, 2017.

Financial highlights

The financial results are summarized hereunder:

	2017	2016
	Rupees	
Sales	2,081,909,454	1,786,858,733
Gross profit/(loss)	33,256,708	(45,357,579)
(loss) before taxation	(53,690,246)	(150,951,697)
Provision for taxation	(8,762,864)	(5,189,933)
(loss) after taxation	(62,453,110)	(156,141,629)
Loss per share	(2.34)	(5.86)

In spite of gross loss converted into gross profit, the financial results during the year remained in sphere of negative contribution. The net sales for current year registered growth of 16.51% from the last year. The cost of goods sold for the current year Rs.2,049 million increased by 11.81% from Rs.1,832 million last year. The distribution cost for the current year Rs,3.272 million decreased by 81% from Rs.17.220 million last year. The administrative expenses for the current year Rs.18.457 million decreased by 19.86% from Rs.23.032 million last year. The financial cost for the current year Rs.59.218 million decreased by 4.20% from Rs.61.817 million last year.

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

Compliance with the Code of Corporate Governance

The Board of Directors has taken necessary steps to comply with the provisions of code of corporate governance as incorporated in the listing regulations of the Pakistan Stock Exchange Limited, whereby a listed company is managed in compliance with the best practices of corporate governance. The statement of compliance with the code of corporate governance is annexed.

Statement on Corporate & Financial Reporting Framework

The Company complies with the Code of Corporate Governance in the following manner.

a. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and change in equity.

b. Proper books of account of the Company have been maintained.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.

d. International Accounting Standards as applicable in Pakistan have been followed in the preparation of financial statements and any departure if any there from has been adequately disclosed.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There are no significant doubts upon the Company's ability to continue as a going concern.

g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h. We have prepared and circulated a statement of ethics and business strategy among directors and employees.

i. The board of directors has adopted a mission statement and a statement of overall corporate strategy.

j. The strength of the Board Directors have been increase from eight to nine by inducting Mr. Misbahuddin Commodore (retd.) as independent director, elected in the Extra Ordinary General Meeting held on May 31, 2017.

k. During the year under review four meetings of the Board of Directors were held and attendance positions is hereunder:

Name of Director	**Number of Meetings attended**
Mr. Azher Elahi	4
Mr. Asad Elahi	4
Mr. Ather J. Elahi	4
Mr. Mansoor Elahi	4
Mrs. Naureen Asad	4
Mrs. Shafqat Azher	4
Mrs. Mehnaz Ather Elahi	4
Mr. Fahad Elahi	4

l. During the financial year trading in shares of the Company by its Directors, CEO, CFO, Company Secretary, and their spouses and minor children is reported as following:

S.NO.	Name	Sales	Purchase
1.	Mr. Azher Elahi	2,000	
2.	Mr.Taimoor Elahi		500
3.	Mr. Saad Elahi		500
3.	Mr. Shaheryar Elahi		500
4.	Mr. Misbahuddin Commodore (Retd.)		500

Audit committee

The Board of Directors in compliance of the code of corporate governance has established Audit Committee except to composition as mentioned in compliance report paragraph number 15. The names of its members are given in the Company profile.

The terms of reference of the Audit Committee is based on the scope as defined by the Securities and Exchange Commission of Pakistan (SECP) and the guidelines given by the Board of Directors form time to time to improve the system and procedures.

With in the framework of terms of reference determined by the Board of Directors, the Audit Committee, among other things, will appointment of external auditors and review of periodic accounts.

HR & Remuneration Committee

The Board of Directors in compliance of the code of corporate governance has established Audit Committee except to composition as mentioned in compliance report paragraph number 17.During the financial year under review the HR & Remuneration Committee met for two times. All the members attended the said meetings. The names of its members are given in the Company profile

Auditors

The present auditors Messrs Mushtaq & Company, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

Pattern of shareholding

The pattern of shareholding as required by Section 236 of the Companies Ordinance 1984 and under Code of Corporate Governance is enclosed.

Key operating and financial data

Key operating and financial data for the preceding six years is annexed.

Statutory payments

There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2017 except for those disclosed in the financial statements.

Corporate restructuring and business expansion

Our company is following very pragmatic BMR policy. For next financial year , the Company is planning to invested in BMR/ expansion through own sources.

Acknowledgement

The Directors of the Company wish to thanks its bankers for their continued support and wish to place on record their appreciation towards the employees for their dedicated services and hard work without which all this would have not been possible.

For & on behalf of the Board

AZHER ELAHI,
Chief Executive

Lahore,
September 28, 2017.

Glamour Textile Mills Limited
KEY OPERATING AND FINANCIAL DATA
FROM 2017 TO 2012 (SIX YEARS)

	2017	2016	2015	2014	2013	2012
Sales						
Local (net of sales tax)	2,067,306,857	1,620,092,452	1,189,948,085	1,426,861,320	1,166,795,177	1,508,946,946
Export	14,602,597	214,128,492	1,399,168,031	799,103,063	1,154,941,195	541,287,607
Net Sale	**2,081,909,454**	**1,834,220,944**	**2,589,116,116**	**2,225,964,383**	**2,321,736,372**	**2,050,234,553**
Profitability						
Gross Profit/(Loss)	33,256,708	(45,357,579)	88,125,176	83,363,512	293,120,730	159,622,394
Profit/(Loss) bofore tax	(53,690,246)	(150,951,696)	(61,458,645)	(22,020,547)	146,639,456	49,065,416
Provision for income tax	8,762,864	5,189,933	(4,942,582)	4,816,379	10,846,016	20,507,331
Profit/(Loss) after tax	**(62,453,110)**	**(156,141,629)**	**(56,516,063)**	**(26,836,926)**	**135,793,440**	**28,558,085**
Financial Position						
Propert plant & equipments	1,018,364,759	1,096,195,812	1,093,152,087	989,832,341	804,262,695	591,042,020
Long term loans and deposits	5,767,739	5,767,739	5,767,739	5,714,699	5,714,699	5,416,699
Total Assets	**1,024,132,498**	**1,101,963,551**	**1,098,919,826**	**995,547,040**	**809,977,394**	**596,458,719**
Current assets	405,815,627	487,834,260	587,314,660	442,837,487	437,741,943	352,302,286
Current liabilities	604,656,179	665,279,101	658,789,163	424,089,543	336,204,202	275,200,884
Net working capital	**(198,840,552)**	**(177,444,841)**	**(71,474,503)**	**18,747,944**	**101,537,741**	**77,101,402**
Capital employed	825,291,946	924,518,710	1,027,445,323	1,014,294,984	911,515,135	673,560,121
Less: Long term loan	217,081,515	248,477,586	278,419,629	208,290,083	129,802,100	129,802,100
Less:Deferred liabilities	81,736,858	89,188,354	81,971,854	84,654,869	92,435,336	9,506,858
Share holders Equity	**526,473,573**	**586,852,770**	**667,053,840**	**721,350,032**	**689,277,699**	**534,251,163**
Represented By:						
Share capital	266,400,000	266,400,000	266,400,000	266,400,000	266,400,000	266,400,000
Un-appropriated Profit/(Loss)	(81,158,837)	(33,031,485)	111,413,143	159,310,788	116,707,530	(25,274,680)
Surplus on revaluation of fixed assets	341,232,410	353,484,255	289,240,697	295,639,244	306,170,169	293,125,843
	526,473,573	**586,852,770**	**667,053,840**	**721,350,032**	**689,277,699**	**534,251,163**
Ratios:						
Gross Profit/(Loss) to sales **(%age)**	1.60	(2.47)	3.40	3.75	12.63	7.79
Net Profit/(Loss) from ordinary activeties to sales **(%age)**	(3.00)	(8.51)	(2.18)	(1.21)	5.85	1.39
Debt:equity ratio	1.72	1.71	1.53	0.99	0.81	0.78
Current ratio	0.67:1	0.73:1	0.89:1	1.04:1	1.30:1	1.28:1
Breakup value per share of Rs. 10 each	19.76	22.03	25.04	27.08	25.87	20.05
Earnings/(Loss) Per Share Rs.	(2.34)	(5.86)	(2.12)	(1.01)	5.10	2.14
Dividend	NIL	NIL	NIL	NIL	NIL	10%

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in listing regulations of Karachi, Lahore & Islamabad stock exchanges for the purpose of establishing a framework of good governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The company have encourage representation of independent non-executive directors on their board in election of director held in 2017. Therefore, the Board of Directors has always supported implementation of highest standards of corporate governance. At present the Board includes:

Non-Executive Directors	Mr.Azher Elahi Mr. Asad Elahi Mr. Mansoor Elahi Mr. Saad Elahi Mr. Taimoor Elahi Mr. Shaheryar Elahi
Executive Directors	Mr. Ather J. Elahi Mr. Fahad Elahi
Independent Director	Mr. Misbahuddin Commodore (Retd.)

2. The directors have confirmed that none of them is serving as director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable). .
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancies arose in Board during the year.
5. The Company has prepared a ‘Statement of Ethics and Business practices’ which has been signed by all the directors and employees of the company.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and condition of employment of CEO and other non-executive directors, have been taken by the board/shareholders.
8. The meetings of the Board were presided over the Chairman and in his absence, by a director elected for this purpose. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. No director has enrolled in Director’s Training Program. However management continues to apprise and familiarize with changes in law to discharge their duties and responsibilities.
10. During the year under review there was no change of CFO, Company Secretary and Head of Internal Auditor. They execute their responsibilities pursuant to the approved appointment by the Board including their remuneration and condition of employment, as determined by the CEO.
11. The directors’ report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and CFO before the approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an audit committee. It comprises three members including two non-executive directors including chairman of the committee is independent director.
16. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and remuneration committee. It comprises three non-executive directors and chairman is independent director.
18. The board has set up an effective internal audit function for which staffs appointed who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper records including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles contained in the CCG have been complied with.

By order of the Board,
For Glamour Textile Mills Ltd.,

AZHER ELAHI,

Chief Executive

Lahore,
September 28, 2017

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MUSHTAQ & COMPANY
CHARTERED ACCOUNTANTS
H O: 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-4 Fax: 021-32639843
Email Address: mushtaq_vohra@hotmail.com; info@mushtaqandcompany.com

REVIEW REPORT TO THE MEMBERS

On the Statement of Compliance with Best Practices of the Code of Corporate Governance

We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Glamour Textile Mills Limited "the Company"** for the year ended June 30, 2017 to comply with the Code contained in regulation No. 5.19 of the Rule book of Pakistan Stock Exchange Limited.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal controls covers all the risks and control or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the audit committee and upon recommendation of audit committee, places before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the statement of compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the statement of Compliance:

Paragraph Reference	Description
5.19.7	Appropriate arrangements for orientation courses for the directors have not been carried out as required by clause (xi) of code

Lahore:
Dated: **28-09-2017**

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Zahid Hussain Zahid, ACA

MUSHTAQ & COMPANY
CHARTERED ACCOUNTANTS
H O: 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-4 Fax: 021-32639843
Email Address: mushtaq_vohra@hotmail.com; info@mushtaqandcompany.com

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **Glamour Textile Mills Limited ("the Company")** as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verifications, we report that;

(a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion;
   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

   (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the loss, comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion no zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980)

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Zahid Hussain Zahid, ACA

Lahore:
Date: **28-09-2017**

Glamour Textile Mills Limited
Balance Sheet
As at June 30, 2017

	Note	2017	2016
		------------------Rupees----------------	
ASSETS			
Non Current Assets			
Property, plant and equipment	5	1,018,364,759	1,096,195,812
Long term deposits	6	5,767,739	5,767,739
		1,024,132,498	1,101,963,551
Current Assets			
Stores, spare parts and loose tools	7	49,587,659	53,851,223
Stock in trade	8	181,958,250	236,276,697
Trade debts	9	65,724,056	94,308,910
Loans and advances	10	36,622,810	21,411,036
Trade deposits and short term prepayments	11	261,573	5,147,424
Tax refunds due from Government	12	63,266,397	63,150,907
Cash and bank balances	13	8,394,882	13,688,063
		405,815,627	487,834,260
Total Assets		1,429,948,125	1,589,797,811
EQUITY AND LIABILITIES			
Share Capital and Reserve			
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	14	266,400,000	266,400,000
Unappropriated profit		(81,158,837)	(33,031,485)
Total Equity		185,241,163	233,368,515
Surplus on revaluation of property, plant and equipment - net of tax	15	341,232,410	353,484,255
LIABILITIES			
Non - Current Liabilities			
Long term financing from banking companies	16	13,531,602	64,784,446
Long term financing from directors and associates	17	203,549,913	183,693,140
Deferred Liabilities			
Staff retirement benefits - gratuity	18	26,031,995	28,232,702
Deferred taxation	19	55,704,863	60,955,652
Current Liabilities			
Trade and other payables	20	93,115,273	171,058,418
Accrued interest / mark up	21	6,292,956	7,014,232
Current portion of long term financing	16	51,236,743	50,913,611
Short term borrowings	22	454,011,207	436,292,840
		604,656,179	665,279,101
Contingencies and Commitments	23		
Total Equity and Liabilities		1,429,948,125	1,589,797,811

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

CHIEF EXECUTIVE **DIRECTOR**

Glamour Textile Mills Limited
Profit and Loss Account
For the Year Ended June 30, 2017

	Note	2017	2016
		------Rupees------	
Sales - net	24	2,081,909,454	1,786,858,733
Cost of sales	25	(2,048,652,746)	(1,832,216,312)
Gross profit/ (Loss)		33,256,708	(45,357,579)
Other operating income	26	294,646	10,485
Distribution cost	27	(3,272,568)	(17,220,250)
Administrative expenses	28	(18,457,801)	(23,032,429)
Other operating expenses	29	(6,293,120)	(3,534,810)
Finance cost	30	(59,218,111)	(61,817,114)
Loss before taxation		(53,690,246)	(150,951,697)
Taxation	31	(8,762,864)	(5,189,933)
Loss for the year		(62,453,110)	(156,141,630)
Loss per share - basic and diluted	32	(2.34)	(5.86)

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

CHIEF EXECUTIVE **DIRECTOR**

Glamour Textile Mills Limited
Statement of Comprehensive Income
For the Year Ended June 30, 2017

	Note	2017	2016
		--------------------------Rupees-----------------------	
Loss for the year		(62,453,110)	(156,141,630)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit and loss account			
Remeasurements of retirement benefits		2,673,864	818,924
Deferred tax on remeasurement of staff retirement benefits		(599,951)	(158,300)
		2,073,913	660,624
Total comprehensive loss for the year		(60,379,197)	(155,481,006)

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

CHIEF EXECUTIVE **DIRECTOR**

Glamour Textile Mills Limited
Cash Flow Statement
For the Year Ended June 30, 2017

	Note	2017	2016
		---Rupees---	
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(53,690,246)	(150,951,697)
Adjustments for :			
Depreciation		80,671,249	85,581,370
Staff retirement benefits - gratuity		12,020,059	11,718,010
Gain on disposal of property, plant and equipment		-	(10,485)
Finance cost		59,218,111	61,817,114
		151,909,419	159,106,009
Profit before working capital changes		98,219,173	8,154,312
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		4,263,564	(6,147,738)
Stock in trade		54,318,447	60,232,238
Trade debts		28,584,854	36,894,297
Loans and advances		(15,211,774)	7,134,990
Trade deposits and short term prepayments		4,885,851	(4,990,423)
Tax refunds due from Government		(9,511,447)	10,743,588
		67,329,495	103,866,952
Increase / (decrease) in current liabilities			
Trade and other payables		(77,943,145)	40,369,502
Cash generated from operations		87,605,523	152,390,766
Finance cost paid		(40,082,614)	(41,697,986)
Staff retirement benefits - gratuity paid		(11,546,902)	(9,152,683)
Taxes paid		(5,217,647)	(10,730,446)
		(56,847,163)	(61,581,115)
Net cash generated from operating activities		30,758,360	90,809,651
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	150,000
Property, plant and equipment - acquired		(2,840,196)	(3,284,701)
Net cash used in investing activities		(2,840,196)	(3,134,701)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing from banking companies - paid		(50,929,712)	(59,110,562)
Short term borrowings- net		17,718,367	(24,830,174)
Net cash (used in) / from financing activities		(33,211,345)	(83,940,736)
Net decrease in cash and cash equivalents (A+B+C)		(5,293,181)	3,734,214
Cash and cash equivalents at the beginning of the year		13,688,063	9,953,849
Cash and cash equivalents at the end of the year		8,394,882	13,688,063
Cash and cash equivalents			
Cash and bank balances	13	8,394,882	13,688,063
		8,394,882	13,688,063

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

CHIEF EXECUTIVE **DIRECTOR**

Glamour Textile Mills Limited
Statement of Changes in Equity
For the Year Ended June 30, 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 year	-	(155,481,006)	(155,481,006)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	11,036,378	11,036,378
Balance as at June 30, 2016	266,400,000	(33,031,485)	233,368,515
Balance as at July 01, 2016	266,400,000	(33,031,485)	233,368,515
Total comprehensive income for the year	-	(60,379,197)	(60,379,197)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax	-	12,251,845	12,251,845
Balance as at June 30, 2017	266,400,000	(81,158,837)	185,241,163

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

CHIEF EXECUTIVE **DIRECTOR**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The company is limited by shares, incorporated in Pakistan on September 14, 1991 and is quoted on Pakistan stock exchange limited. The registered office of the company is situated at 11 K.M, Manga Raiwind Road, District Kasur in the province of Punjab, Pakistan.

1.2 The principal business of the company is manufacture and sale of yarn. The manufacturing unit is also located at Manga Raiwind Road in the province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency and figures are rounded off to the nearest rupee.

2.3 Standards, interpretations and amendments to published approved accounting standards

2.3.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

Following standards, amendments and interpretations are effective for the year beginning on or after January 1, 2016. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

¤ Amendments to IAS 38 Intangible Assets and IAS 16 Property, plant and equipment (effective for periods beginning on or after January 01, 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible assets are highly correlated, or when the intangible asset is expressed as a measure of revenue. The Company's policy is already in line with these amendments.

¤ IAS 19, 'Employee Benefits' This amendment as part of Annual improvements 2014 clarifies that when determining the discount rate for post-employment obligation, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The Company's policy is already in line with this change.

¤ Amendments to IAS 1, 'Presentation of financial statements are made in the context of the IASB's disclosure initiative, which explores how financial statements disclosure can be improved. The amendments provide clarifications on a number of issues, including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- Disaggregation and subtotals – line items specify in IAS 1 may need to be disaggregated where this is relevant to understandability of entities' financial position and performance.
- Other comprehensive income (OCI) arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

¤ The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on January 1, 2016 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

2.3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company

¤ IFRS 9, 'Financial instruments' (effective for periods beginning on or after January 01, 2018). IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. The Company has yet to assess the impact of these changes on its financial statements.

¤ IFRS 15, 'Revenue from contracts with customers' is applicable to accounting periods beginning on or after January 1, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entity will recognize transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the impact of this standard on its financial statements.

- IFRS 16, 'Leases' is applicable to accounting periods beginning on or after January 1, 2019. IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all the leases on the balance sheet date. This standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessor will not significantly change. Some differences may arise as a result of the new guidance on the definition of lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has yet to assess the impact of this standard on its financial statements.

- Amendments to IAS 12, 'Income taxes' are applicable for annual periods beginning on or after January 1, 2017. The amendment clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have a material impact on the Company's financial statements.

- Amendments to IAS 7, 'Statement of cash flows' are applicable for annual periods beginning on or after January 1, 2017. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are not likely to have a material impact on the Company's financial statements.

- There are a number of other minor amendments and interpretations to other approved accounting standards that are not yet effective and are also not relevant to the company and therefore have not been presented here.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment at revalued amounts, revaluation of certain financial instruments at fair value and recognition of certain staff retirement benefits at present value.

The company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies, the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows.

3.1 Provision for taxation

The company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.2 Staff retirement benefits - gratuity

Certain actuarial assumptions have been adopted as disclosed in relevant note to the financial statements for valuation of present value of defined benefit obligation. Any changes in these assumptions in future year might affect unrecognized gains and losses in those years.

3.3 Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on market conditions existing at balance sheet date.

3.4 Property, plant and equipment

The company reviews recoverable amount, useful life , residual value and possible impairment on an annual basis. Any changes, if material in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

3.5 Stocks in trade and Stores, spares and loose tools

The company reviews the net realizable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade and stores and spares with a corresponding effect on the amortization charge and impairment.

3.6 Other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

3.6.1 Provision for doubtful debts

3.6.2 Disclosure of contingencies

3.6.3 Computation of deferred taxation

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of theses financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 Property, plant and equipment - owned

Recognition

Property, plant and equipment except for freehold land are stated at cost / revalued amount less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Cost of tangible assets consists of historical cost pertaining to erection / construction period and other directly attributable cost of bringing the asset to working condition.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Surplus arising on revaluation of an item of property, plant and equipment is credited to surplus on revaluation of property, plant and equipment, except to the extent that it reverses deficit on revaluation of the same assets previously recognized in profit or loss, in which case the surplus is credited to profit or loss to the extent of deficit previously charged to income. Deficit on revaluation of an item of property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any held in surplus on revaluation of property, plant and equipment relating to previous revaluation of that item. On subsequent sale or retirement of revalued item of property, plant and equipment the attributable surplus remaining in the surplus on revaluation of property, plant and equipment is transferred directly to unappropriated profit. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related assets is transferred to unappropriated profit.

Depreciation

Depreciation on all items of property, plant and equipment except for freehold land is charged to income applying the reducing balance method so as to write off historical cost of an asset over its estimated useful life at the rates as disclosed in relevant note.

Depreciation on additions is charged from the month in which the asset become available for use while no depreciation is charged in the month of disposal.

Derecognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the assets) is included in the income statement in the year the assets is derecognized.

4.2 Accounting for leases and assets subject to finance lease

4.2.1 Finance lease

Recognition

Leases where the company has substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are initially recognized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss. The related rental obligations, net off finance cost, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non current depending upon the timing of payments.

Financial charges

Lease payments are allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to income over the lease term.

Depreciation

Assets acquired under a finance lease are depreciated in the same manner and at the same rates used for similar owned assets, so as to depreciate these assets over their estimated useful lives in view of certainty of ownership of these assets at the end of lease term. Depreciation of the leased assets is charged to income.

Deferred income

Income arising from sale and lease back transaction, if any, which results in finance lease, is deferred and amortized equally over the lease period.

4.2.2 Operating lease

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income on a straight-line basis over the period of lease.

4.3 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss. Transfers are made to relevant fixed assets category as and when assets are available for use.

4.4 Long term deposits

These are stated at cost which represents the fair value of consideration given.

4.5 Stores, spare parts and loose tools

These are valued at lower of cost and net realizable value. Cost is determined by moving average method. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

4.6 Stock in trade

These are valued at lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows.

4.6.1 Raw material

In hand	Weighted average cost
In transit	Cost comprising invoice value plus other charges incurred thereon

4.6.2 Finished goods and work in process	Raw material cost plus appropriate manufacturing overheads
4.6.3 Waste	Net realizable value

Net realizable value signifies the estimated selling prices in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sales.

4.7 Trade debts and other receivables

Trade debts originated by the company are recognized and carried at original invoice value less any allowance for uncollectible amounts. An estimated provision for doubtful debts is made when there is objective evidence that collection of the full amount is no longer probable. The amount of provision is charged to income. Bad debts are written off as incurred. Other receivables are stated at amortized cost. Known impaired receivables are written off, while receivables considered doubtful are provided for.

4.8 Cash and cash equivalents

Cash in hand, cash at bank and short term deposits, which are held to maturity, are carried at cost. For the purpose of cash flow statements, cash and cash equivalent comprise cash in hand, with banks on current and saving accounts.

4.9 Staff retirement benefits

Defined benefit plan

The company operates an unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.

The Company's obligation is determined through actuarial valuations carried out under the 'Projected Unit Credit Method'. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income. Any change in past service cost is immediately recognized in profit or loss account.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service costs are recognized in profit and loss account. The latest actuarial valuation was conducted at the balance sheet date by a qualified professional firm of actuaries.

4.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in equity or below equity, in which case it is recognized in equity or below equity respectively.

4.10.1 Current

Provision for current taxation is based on taxability of certain income streams of the company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credit and tax rebates available, if any. The charge for current tax includes any adjustment to past years liabilities.

4.10.2 Deferred

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.11 Trade and other payables

Liabilities for trade and other payable are carried at cost which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

4.12 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.13 Borrowings and borrowing costs

Borrowings are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

4.14 Revenue recognition

Revenue is recognized on dispatch of goods or on performance of services. Return on deposits is recognized on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.15 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the exchange rate prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupee on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

4.16 Financial instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and derecognized when the company loses control of contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

All financial assets and financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.17 Offsetting of financial assets and liabilities

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and the liabilities simultaneously.

4.18 Impairment

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is the greater of net selling price and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

4.19 Related party transactions

All transactions with related parties are carried out by the company at arms' length price using the method prescribed under the Companies Ordinance, 1984 with the exception of loan taken from related parties which is interest / mark up free.

4.20 Government grants

Government grants for meeting revenue expenses are set off from respective expenses in the year in which they become receivable.

4.21 Dividend

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2017	2016
		------Rupees------	
Operating assets - owned	5.1	1,016,793,418	1,096,195,812
Capital work in progress - at cost	5.6	1,571,341	-
		1,018,364,759	1,096,195,812

5.1 Operating assets - owned

	Freehold land	Building on freehold land	Plant and machinery	Furniture, fixture and equipments	Vehicles	Total
	Rupees					
Cost / revaluation						
Balance as at July 1, 2015	174,375,000	259,365,097	1,795,400,454	15,767,344	20,334,488	2,265,242,383
Additions during the year	-	-	16,515,293	-	-	16,515,293
Revaluation / adjustment	51,480,000	8,249,450	78,659,391	-	-	138,388,841
Disposals	-	-	-	-	(579,535)	(579,535)
Balance as at June 30, 2016	225,855,000	267,614,547	1,890,575,138	15,767,344	19,754,953	2,419,566,982
Balance as at July 1, 2016	225,855,000	267,614,547	1,890,575,138	15,767,344	19,754,953	2,419,566,982
Additions during the year	-	625,164	-	-	643,691	1,268,855
Revaluation / adjustment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at June 30, 2017	225,855,000	268,239,711	1,890,575,138	15,767,344	20,398,644	2,420,835,837
Depreciation						
Balance as at July 1, 2015	-	107,534,969	1,059,376,083	10,195,551	8,214,285	1,185,320,888
Charge for the year	-	7,591,506	75,030,673	557,179	2,402,012	85,581,370
Revaluation / adjustment	-	3,661,750	49,247,182	-	-	52,908,932
Disposal	-	-	-	-	(440,020)	(440,020)
Balance as at June 30, 2016	-	118,788,225	1,183,653,938	10,752,730	10,176,277	1,323,371,170
Balance as at July 1, 2016	-	118,788,225	1,183,653,938	10,752,730	10,176,277	1,323,371,170
Charge for the year	-	7,443,921	70,692,120	501,462	2,033,746	80,671,249
Revaluation / adjustment	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance as at June 30, 2017	-	126,232,146	1,254,346,058	11,254,192	12,210,023	1,404,042,419
Written down value as at June 30, 2016	225,855,000	148,826,322	706,921,200	5,014,614	9,578,676	1,096,195,812
Written down value as at June 30, 2017	225,855,000	142,007,565	636,229,080	4,513,152	8,188,621	1,016,793,418
Rate of depreciation	-	5%	10%	10%	20%	

5.2 The depreciation for the year has been allocated as under.

	Note	2017	2016
		------Rupees------	
Cost of sales	25.2	76,223,430	80,699,027
Administrative expenses	28	4,447,819	4,882,343
		80,671,249	85,581,370

5.3 Had there been no revaluation, the original cost and accumulated depreciation of revalued assets would have been as follows as on June 30, 2017.

	Cost	Accumulated depreciation	Written down value
	------Rupees------		
Land	15,791,011	-	15,791,011
Building	156,923,902	70,680,549	86,243,353
Plant and machinery	1,246,225,267	741,105,260	505,120,007
	1,418,940,180	811,785,809	607,154,371

5.4 On the date of revaluation, accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

5.5 The company had its freehold land, building on freehold land, plant and machinery revalued at June 30,2016. Revaluation of the assets were carried out by the independent valuers "M/s Harvester Services (Pvt) Limited" registered surveyors and valuation consultants. Freehold land was revalued at market value and building on freehold land, plant and machinery are valued at depreciated market value.

		Note	2017	2016
			-----------------Rupees-----------------	
5.6	**Capital work in progress**			
	Plant and machinery		1,571,341	-
			1,571,341	-
6	**LONG TERM DEPOSITS**			
	Security deposits - utilities		5,767,739	5,767,739
			5,767,739	5,767,739
7	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	Stores		6,598,973	7,200,572
	Spare parts		42,642,450	44,578,481
	Loose tools		346,236	356,494
	Spare parts in transit		-	1,715,676
			49,587,659	53,851,223
8	**STOCK IN TRADE**			
	Raw material	8.1	152,426,257	171,447,079
	Work in process		17,319,796	12,556,224
	Finished goods		10,113,526	50,852,087
	Waste		2,098,671	1,421,307
			181,958,250	236,276,697

8.1 Raw material of Rs.128.954 million (June 30, 2016 : Rs. 125.949 million) are pledged as security for short term borrowing (cash finance).

8.2 Raw material amounting to Nil (2016: Rs. NIL) and finished goods amounting to 1,735,376 (2016: Rs. 10,112,173) are carried at their net realizable value aggregating to Nil and 1,667,540 (2016: Rs. NIL and Rs. 9,803,943) respectively. Amount charged to profit and loss account in respect of stocks written down to their net realizable value amounting to Nil and 67,836 (2016: NIL and Rs. 308,230)respectively.

		Note	2017	2016
9	**TRADE DEBTS**			
	Export - secured			
	Considered good		-	-
	Local - unsecured			
	Considered good		65,724,056	94,308,910
	Considered doubtful		11,466,747	10,918,938
			77,190,803	105,227,848
	Less:			
	Provision for doubtful debts	9.1	(11,466,747)	(10,918,938)
			65,724,056	94,308,910
9.1	**Provision for doubtful debts**			
	Opening balance		10,918,938	7,403,983
	Charged during the year		6,293,120	3,514,955
	Balances written off		(5,745,311)	
	Closing balance		11,466,747	10,918,938

		Note	2017	2016
10	**LOANS AND ADVANCES**	**Note**	------------------Rupees------------------	
	Considered good			
	Advances to			
	Suppliers		22,491,364	14,798,658
	Staff against purchases		7,275,755	4,653,565
	Workers against wages	10.1	422,531	1,956,621
	Against letter of credit		6,433,160	2,192
			36,622,810	21,411,036

10.1 These are paid to workers who's wages are not taxable under Income Tax Ordinance, 2001. Any interest under section 13 of the Income Tax Ordinance 2001 will not result in taxable income.

		Note	2017	2016
			------------------Rupees------------------	
11	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Security deposits - others		117,000	117,001
	Prepayments		144,573	5,030,423
			261,573	5,147,424
12	**TAX REFUNDS DUE FROM GOVERNMENT**			
	Sales tax refundable		23,987,049	14,475,602
	Income tax refundable	12.1	39,279,348	48,675,305
			63,266,397	63,150,907
12.1	**Income tax refundable**			
	Opening balance		48,675,305	48,022,967
	Deducted during the year		5,217,647	10,730,447
	Paid/Adjusted during the year		(14,613,604)	(10,078,109)
	Closing balance		39,279,348	48,675,305
13	**CASH AND BANK BALANCES**			
	Cash in hand		759,545	2,554,470
	Cash at banks - current accounts		7,622,447	11,121,463
	Cash at banks - saving accounts	13.1	12,890	12,130
			8,394,882	13,688,063

13.1 It carries rate of return ranging from 3.75 % (June 30, 2016 : 6.95%) per annum.

14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2017	2016		2017	2016
Number of shares			------------------Rupees------------------	
26,640,000	26,640,000	Ordinary shares of Rs. 10 each allotted for consideration paid in cash	266,400,000	266,400,000
26,640,000	26,640,000		266,400,000	266,400,000

14.1 The shareholders are entitled to receive all distribution to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

		2017	2016
15 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX		------------------Rupees------------------	
Opening balance - gross		414,439,907	344,726,252
Addition during the year		-	85,479,909
Transfer to unappropriated profit in respect of :			
Disposal of property, plant and equipments		-	-
Incremental depreciation charged on revalued assets		12,251,845	11,036,378
Related deferred tax		5,250,790	4,729,876
		17,502,635	15,766,254
Closing balance - gross		396,937,272	414,439,907
Related deferred tax:			
Opening balance		60,955,652	55,485,555
Arised due to revaluation			10,199,973
Deferred tax on incremental depreciation		(5,250,790)	(4,729,876)
Effect of change in tax rate		-	-
		55,704,862	60,955,652
Closing balance - net of tax		341,232,410	353,484,255
16 LONG TERM FINANCING FROM BANKING COMPANIES			
Secured			
Soneri Bank Limited	16.1	-	33,600,000
Bank Al-Habib Limited	16.2	13,531,602	27,063,198
JS Bank Limited	16.3	-	4,121,248
		13,531,602	64,784,446
16.1 Soneri Bank Limited			
Opening balance		67,200,000	100,800,000
Repaid during the year		(33,600,000)	(33,600,000)
		33,600,000	67,200,000
Current maturity of long term financing		(33,600,000)	(33,600,000)
		-	33,600,000

16.1.1 Company had obtained Term Finance Loan from Soneri Bank Limited to finance expansion projects of plant and machinery. The Loan is secured by first pari passu equitable mortgage over all existing and future fixed assets of the company and personal guarantees of directors. It carries mark up at three months KIBOR plus 2.25% (June 30, 2016: three months KIBOR plus 2.25%) per annum payable quarterly. The loan is repayable in sixteen equal quarterly installments started form September 24, 2014.

	2017	2016
	------------------Rupees------------------	
16.2 Bank Al Habib Limited		
Opening balance	40,594,796	54,126,394
Repaid during the year	(13,531,602)	(13,531,598)
	27,063,194	40,594,796
Current maturity of long term financing	(13,531,592)	(13,531,598)
	13,531,602	27,063,198

16.2.1 Company has obtained Term Finance Loan from Bank Al Habib Limited to finance expansion projects of plant and machinery. The Loan is secured by first pari passu charge over fixed assets of the company including land, building, plant and machinery and personal guarantees of directors. It carries mark up at six months KIBOR + 2.00% (June 30, 2016: six months KIBOR +2.00%) per annum payable quarterly. The loan is repayable in twenty equal quarterly installments starting form September 30, 2014.

16.3	**JS Bank Limited**	**2017**	**2016**
		Rupees	
	Opening balance	7,903,261	19,882,225
	Repaid during the year	(3,798,110)	(11,978,964)
		4,105,151	7,903,261
	Current maturity of long term financing	(4,105,151)	(3,782,013)
		-	4,121,248

16.3.1 Company has obtained Term Finance Loan from JS Bank limited to finance expansion projects of plant and machinery. The loan is disbursed in two tranches of Rs. 11.200 million and Rs. 11.377 million respectively. The Loan is secured by first pari passu equitable mortgage over all existing and future fixed assets of the company with 25% margin and personal guarantees of directors. It carries mark up at three months KIBOR + 2.0% (June 30, 2016: three month KIBOR + 2.0%) per annum payable quarterly. First tranche of the loan is payable in twelve monthly unequal installments started from April 20, 2015. Second trench of the loan is payable in twelve quarterly installments starting from September 23, 2015.

		2017	**2016**
		Rupees	
16.4	**CURRENT PORTION OF LONG TERM FINANCING**		
	Soneri Bank Limited	33,600,000	33,600,000
	Bank Al Habib Limited	13,531,592	13,531,598
	JS Bank Limited	4,105,151	3,782,013
		51,236,743	50,913,611

17	**LONG TERM FINANCING FROM DIRECTORS/SPONSORS AND ASSOCIATES**			
	Unsecured - from related parties			
	Directors/Sponsors	17.1	145,975,399	131,735,155
	Associated undertaking	17.2	57,574,514	51,957,985
			203,549,913	183,693,140
17.1	**Directors/Sponsors**			
	Interest free loan - gross	17.3	164,802,100	164,802,100
	Present value adjustments - notional income	17.4	(18,826,701)	(33,066,945)
	Present value of interest free loan from directors		145,975,399	131,735,155

Out of total loan Rs. 133,000,000 (June 30, 2016 : Rs. NIL) was subordinated to financing from banking company.

17.2	**Long term loan form Associated undertaking**			
	Interest free loan - gross	17.3	65,000,000	65,000,000
	Present value adjustments - notional income	17.4	(7,425,486)	(13,042,015)
	Present value of interest free loan		57,574,514	51,957,985

17.3 In 2015 management of the company has entered into an agreement with directors and associated undertakings and decided repayment terms of the interest free, long term and unsecured loan (previously repayment terms of the loan were not determinable). According to the agreement, loan from directors and associated undertaking will be paid in lump sum on July 31, 2018. These loans have been recognized at amortized cost as provided in IAS 39 'Financial Instrument-recognition and measurement" using effective discount rate of 11.25 percent. The resulting difference has been charged to profit and loss account and will be amortized over the remaining life of the loan.

17.4 This represents the difference between amortized cost and face value of interest free loan (as explained in note 17.3 above). Amortized cost has been determined using effective interest rate of 11.25 percent per annum being the weighted average rate of return prevailing in the market. Movement of the deferred notional income is as follows.

Movement in present value	**Directors loan**	**Associated Undertakings**	**2017**	**2016**
			Rupees	
			Total	Total
Opening balance	33,066,945	13,042,015	46,108,960	67,093,741
Amortized during the year	(14,240,244)	(5,616,529)	(19,856,773)	(20,984,781)
Closing balance	18,826,701	7,425,486	26,252,187	46,108,960

18 STAFF RETIREMENT BENEFITS - GRATUITY

	2017	2016
	----------------Rupees----------------	

18.1 Movement in net liability recognized in the balance sheet

	2017	2016
Opening net liability	28,232,702	26,486,299
Expenses for the year	12,020,059	11,718,010
Remeasurement (gains)/ losses	(2,673,864)	(818,924)
	37,578,897	37,385,385
Benefits paid during the year	(11,546,902)	(9,152,683)
Closing net liability	26,031,995	28,232,702

18.2 Expenses for the year charged to profit and loss

	2017	2016
Current service cost	10,948,145	10,342,336
Interest cost	1,071,914	1,375,674
	12,020,059	11,718,010

18.3 Other comprehensive income

	2017	2016
Remeasurement in the year	(2,673,864)	(818,924)

18.4 Movement in present value of defined benefit obligation

	2017	2016
Present value of defined benefit obligation - opening	28,232,702	26,486,299
Current service cost	10,948,145	10,342,336
Interest cost	1,071,914	1,375,674
Remeasurements (gain)/ loss	(2,673,864)	(818,924)
Benefits paid	(11,546,902)	(9,152,683)
Present value of defined benefit obligation	26,031,995	28,232,702

18.5 Historical information

	2017	2016	2015	2014	2013
Present value of defined benefit obligation	26,031,995	28,232,702	26,486,299	17,736,365	16,406,098
Experience adjustments on plan liabilities	(2,673,864)	(818,924)	(4,271,903)	(138,922)	3,062,284

18.6 General description

The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charge is made using the actuarial technique of Projected Unit Credit Method.

18.7 Principle actuarial assumptions

Following are a few important actuarial assumptions used in the valuation.

	2017	2016
Discount rate	7.65%	8.33%
Expected rate of salary increase in future	10.00%	10.00%
Expected year of services (years) for mills employees	12	12
Expected year of services (years) for head office employees	10	10

The average duration of defined benefit obligation is 11 years.

18.8 Sensitivity analysis of actuarial assumptions

The calculation of defined benefit obligation is sensitive to assumptions given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumptions by 100 basis point.

	Increase in assumption	Decrease in assumption
Discount rate	(2,173,868)	2,407,171
Expected rate of increase in future salaries	2,330,844	(2,148,266)

18.9 Expected gratuity expense for the year ending June 30, 2018 works out to Rs. 12,524,660.

19 DEFERRED TAXATION

	2017	2016
	-----Rupees-----	
Opening balance	60,955,652	55,485,555
Add: Provided on surplus during the year	-	10,199,973
Reversed during the year	(5,250,789)	(4,729,876)
Closing balance	55,704,863	60,955,652
This comprises the following:		
Deferred tax liability on taxable temporary differences:		
Surplus on revaluation of property, plant and equipment	55,704,862	60,955,652
Tax depreciation allowance	45,419,847	30,820,504
Deferred tax asset on deductible temporary differences:		
Tax losses and tax credits	(114,898,038)	(111,215,530)
Staff retirement benefits - gratuity	(5,840,960)	(5,457,463)
Provision for doubtful debts	(2,572,865)	(2,110,662)
	(22,187,154)	(27,007,499)

19.1 During the year net deferred tax asset on taxable and deductible temporary differences amounting to Rs.22,187,154 (June 30, 2016: Rs. 27,007,499) has arised. Deferred tax liability is restricted to Rs. 55,704,863 (June 30, 2016: Rs. 60,955,652).

20 TRADE AND OTHER PAYABLES

	Note	2017	2016
		-----Rupees-----	
Creditors		43,363,395	59,314,032
Accrued liabilities		28,994,318	22,825,044
Advance from customers		15,430,197	84,726,924
Workers welfare fund payable		2,985,120	2,985,120
Withholding tax payable		1,431,541	1,096,247
Unclaimed Dividend		110,702	111,051
Other payable		800,000	-
		93,115,273	171,058,418

21 ACCRUED INTEREST / MARK UP

	Note	2017	2016
		-----Rupees-----	
Accrued interest / mark up on :			
Long term financing from banking companies		686,820	1,059,155
Short term borrowings from banking companies		5,606,136	5,955,077
		6,292,956	7,014,232

22	SHORT TERM BORROWINGS	Note	2017	2016
			------------------Rupees------------------	
	Secured - from banking companies	22.1		
	Cash finance		119,451,000	113,354,000
	Running finance		169,525,207	175,403,840
	Unsecured - from related parties	22.2		
	From Directors		115,035,000	97,535,000
	From Associated undertaking		50,000,000	50,000,000
			454,011,207	436,292,840

22.1 These finances are available from banking companies under mark up arrangements against aggregate sanctioned limit of Rs.625 million (June 30, 2016: 1,025 million). These facilities are secured against registered hypothecation charge over stocks, book debts and current assets, pledge of stock of raw cotton and cotton yarn through bank's approved mucadum with 10% margin on cotton and 20% margin on cotton yarn, accepted documents against inland LC's and DP/DA, export bills, pari passu charge over all present and future current assets of the company, ranking charge on current assets of the company, pari passu charge over all present and future fixed assets of the company including land building and machinery located at 11 KM, manga Raiwind road and personal guarantees of the directors. These carries markup ranging from 7.54 to 8.15 (June 30, 2016: 7.85 to 8.51) percent per annum payable quarterly. These facilities will expire on various dates by November 30, 2017.

22.2 These are unsecured loans extended by the directors for short term working capital needs of the company and are interest free.

23	CONTINGENCIES AND COMMITMENTS	Note	2017	2016
			------------------Rupees------------------	
23.1	~~**Contingencies**~~			
23.1.1	Bills discounted with recourse		109,103,499	72,266,594
23.1.2	Bank guarantee issued in the ordinary course of business		20,663,510	18,263,510

23.1.3 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. Honourable court has referred the matter to a high power comittee of Sui Northern Gas Pipeline (SNGPL).

23.2	**Commitments**			
23.2.1	Letter of credit for capital expenditures		14,793,575	-
23.2.2	Letter of credit for stores and spares parts		1,616,641	1,445,202
23.2.3	Letter of credit for raw materials		40,463,056	-

24	SALES - NET		Note	2017	2016
				------------------Rupees------------------	
	Export				
		Yarn	24.1	14,602,597	214,128,492
	Local				
		Yarn		2,000,734,647	1,530,023,394
		Fabrics trading		0	824,645
		Cotton & Viscose		31,865,639	56,432,313
		Waste		34,865,578	32,812,100
				2,082,068,461	1,834,220,944
	Less: Sales tax			(159,007)	(47,362,211)
				2,081,909,454	1,786,858,733

24.1 It includes net exchange (loss)/ gain amounting to (Rs.95,566) (June 30, 2016 : Rs. 286,404).

25 COST OF SALES

	Note	2017	2016
		------------------Rupees------------------	
Cost of sales manufacturing activities	25.1	2,048,652,746	1,830,158,622
Cost of sales of trading activities	25.4	-	2,057,690
		2,048,652,746	1,832,216,312

25.1 Cost of sales of manufacturing activities

	Note	2017	2016
Cost of goods manufactured	25.2	2,008,591,549	1,847,444,568
Finished goods			
Opening		52,273,394	34,987,448
Closing		(12,212,197)	(52,273,394)
		40,061,197	(17,285,946)
		2,048,652,746	1,830,158,622

25.2 Cost of goods manufactured

	Note	2017	2016
Raw materials consumed	25.3	1,441,101,633	1,224,288,098
Cost of raw material sold		31,846,765	53,509,405
Fuel and power		224,479,711	241,483,429
Stores and spares consumed		44,607,756	46,575,889
Salaries, wages and other benefits		145,996,343	146,178,576
Staff retirement benefits - gratuity		11,328,575	11,144,242
Packing material consumed		25,113,528	30,624,433
Depreciation	5.2	76,223,430	80,699,027
Repair and maintenance		2,526,284	4,365,419
Vehicle running expenses		1,382,032	1,545,432
Insurance expenses		4,614,989	3,512,419
Cotton cess		2,314,800	2,425,400
Other expenses		1,819,275	2,332,072
		2,013,355,121	1,848,683,841
Work in process			
Opening		12,556,224	11,316,951
Closing		(17,319,796)	(12,556,224)
		(4,763,572)	(1,239,273)
		2,008,591,549	1,847,444,568

25.3 Raw material consumed

	2017	2016
Opening stock	171,447,079	170,518,682
Purchases - net	1,422,080,811	1,225,216,495
	1,593,527,890	1,395,735,177
Less: Closing stock	152,426,257	171,447,079
	1,441,101,633	1,224,288,098

25.4 Cost of trading activities

	Yarn	Fabric	2017 Total	2016 Total
	--------------Rupees--------------			
Opening balance			-	2,057,690
Purchased/(adjustment) during the year	-	-	-	-
Closing balance	-	-	-	-
	-	-	-	2,057,690

		Note	2017	2016
26	**OTHER OPERATING INCOME**	**Note**	------------------Rupees------------------	
	From other than financial assets			
	Gain on sale of property, plant and equipment		-	10,485
	Scrape sales		294,646	-
			294,646	10,485

		Note	2017	2016
27	**DISTRIBUTION COST**	**Note**	------------------Rupees------------------	
	Commission on local sales		2,174,837	4,269,518
	Commission on export sales		251,282	4,337,938
	Local freight		206,200	735,025
	Inland freight on export sales		81,000	1,428,496
	Ocean freight		93,363	2,403,384
	Export development surcharge		34,726	654,608
	Clearing and forwarding		64,509	627,188
	Bank charges		66,093	1,802,692
	Other export expenses		300,558	961,401
			3,272,568	17,220,250
28	**ADMINISTRATIVE EXPENSES**			
	Salaries and other benefits		8,078,673	10,923,814
	Staff retirement benefits - gratuity		691,484	573,768
	Fees, subscription and taxes		1,225,419	2,068,002
	Legal and professional		593,100	722,720
	Repairs and maintenance		4,375	1,100
	Traveling and conveyance		504,602	400,247
	Vehicle running expenses		585,360	787,323
	Entertainment		28,968	37,133
	Insurance		108,969	453,811
	Auditors' remuneration	28.1	727,000	727,000
	Advertisement		79,200	38,280
	Postage, telephones and telegrams		1,003,535	1,032,313
	Printing and stationary		379,297	384,575
	Depreciation	5.2	4,447,819	4,882,343
			18,457,801	23,032,429
28.1	**Auditors' remuneration**			
	Statutory audit fee		615,000	615,000
	Review of code of corporate governance		25,000	25,000
	Half yearly and other reviews		87,000	87,000
			727,000	727,000
29	**OTHER OPERATING EXPENSES**			
	Provision for doubtful debts		6,293,120	3,534,810
			6,293,120	3,534,810

			2017	2016
30	**FINANCE COST**	**Note**	------------------Rupees------------------	
	Interest / markup on :			
	Long term financing		7,891,943	12,112,952
	Short term borrowings		29,587,191	26,905,229
	Notional interest on interest free loans from directors and associates	17.4	19,856,773	20,984,781
	Bank charges and commission		1,882,204	1,814,152
			59,218,111	61,817,114
31	**TAXATION**			
	Current tax			
	Current year		20,819,095	17,112,071
	Prior Year	31.2	(6,205,491)	-
	Tax credit U/S 65B		-	(7,033,962)
			14,613,604	10,078,109
	Deferred Tax			
	Current Year		(5,850,740)	(4,888,176)
			8,762,864	5,189,933

31.1 The assessment of the company will be finalized in respect of export proceeds under presumptive tax regime under section 169. Other than export income, assessment will be finalized under the provisions of Income Tax Ordinance, 2001. Income tax return of the company has been filed up to tax year 2016. The numerical reconciliation between the average tax rate and the applicable tax rate has been presented below:

Numerical reconciliation between the average tax rate and the applicable tax rate	2017	2016
	------------------%------------------	
Applicable tax rate	31.00	32.00
Tax effect of		
Adjustment of the prior years	0.12	0.00
Income chargeable to tax at different rate	0.08	(11.34)
Deferred tax	(10.90)	(3.24)
Tax credits	0.00	(4.66)
Others	(3.98)	(9.33)
Effective tax rate	16.32	3.44

31.2 This represents the difference of tax liability for the year ended June 30, 2016 as per income tax return filed and provided in financial statements due to tax credits availed in tax return filed but the same is not taken in provision for taxation.

32	**LOSS PER SHARE - basic and dilutive**			
	Loss for the year	Rupees	(62,453,110)	(156,141,630)
	Weighted average number of ordinary shares	Numbers	26,640,000	26,640,000
	Loss per share - basic	Rupees	(2.34)	(5.86)

32.1 There is no dilutive effect on basic loss per share.

33 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The chief executive has waived off his remunerations and no meeting fees is paid to any directors including chief executive.

	DIRECTROS		EXECUTIVES	
	2017	2016	2017	2016
	------------------Rupees------------------			
Remuneration	2,300,000	3,840,000	4,632,000	3,300,000
Leave encashment	-	-	264,716	-
Vehicle maintenance expenses	853,156	964,677	262,118	158,059
Entertainment expenses	121,091	171,940	-	-
Number of persons	2	2	4	2

33.1 In addition to above directors and executives are provided with free use of company maintained cars in accordance with Company's policy. No remuneration is paid to non-executive directors of the company.

34 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

The company has exposures to the following risks from its use of financial instruments.

34.1 Credit risk
34.2 Liquidity risk
34.3 Market risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

34.1 Credit risk

34.1.1 Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the trade debts, loans and advances, trade deposits and short term prepayments and cash and bank balances. Out of total financial assets of Rs. 109.77 million (June 30, 2016 : Rs. 133.33 million), financial assets which are subject to credit risk aggregate to Rs. 101.37 million (June 30, 2016 : Rs. 119.64 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2017	2016
	Rupees	
Long term deposits	5,767,739	5,767,739
Trade debts	65,724,056	94,308,910
Loans & advances	29,767,119	19,452,223
Trade deposits and short term prepayments	117,000	117,001
Cash and bank balances	8,394,882	13,688,063
	109,770,796	133,333,936

34.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by geographical region is as follows.

Domestic	65,724,056	94,308,910
Export	-	-
	65,724,056	94,308,910

34.1.3 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows.

Yarn	65,724,056	94,308,910
	65,724,056	94,308,910

34.1.4 The aging of trade debtors at the balance sheet is as follows.

Not past due	40,096,509	50,331,896
Past due 1-30 days	19,106,406	42,831,737
Past due 31-1 year	6,521,141	1,145,277
Past due more than 1 year	11,466,747	10,918,938
Provision for doubtful debts	(11,466,747)	(10,918,938)
	65,724,056	94,308,910

34.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	2017					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Non - derivative Financial liabilities						
Long term financing banking companies	64,768,345	71,358,083	28,044,369	25,957,002	17,356,712	-
Long term financing directors associates	203,549,913	229,802,100	-	-	229,802,100	-
Trade and other payables	77,685,076	77,685,076	77,685,076	-	-	-
Accrued mark up / interest	6,292,956	6,292,956	6,292,956	-	-	-
Short term borrowings	454,011,207	481,483,425	481,483,425	-	-	-
	806,307,497	866,621,640	593,505,826	25,957,002	247,158,812	-

	2016					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Non - derivative						
Financial liabilities						
Long term financing banking companies	115,698,057	127,529,565	30,104,051	29,093,672	68,331,842	-
Long term financing directors associates	183,693,140	229,802,100	-	-	229,802,100	-
Trade and other payables	86,331,494	86,331,494	86,331,494	-	-	-
Accrued mark up / interest	7,014,232	7,014,232	7,014,232	-	-	-
Short term borrowings	436,292,840	462,692,920	462,692,920	-	-	-
	829,029,763	913,370,311	586,142,697	29,093,672	298,133,942	-

34.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

34.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

34.3.1 Currency risk

Exposure to currency risk

The company is exposed to currency risk on trade debts, borrowing and import of raw material and stores that are denominated in a currency other than the respective functional currency of the company, primarily in US Dollar and Euro. The currencies in which these transactions primarily are denominated is US Dollar and Euro. The company's exposure to foreign currency risk is as follows.

	US Dollar	Rupees
Trade debts 2017	-	-
Trade debts 2016	-	-

The following significant exchange rates applied during the year.

	Average rates		Reporting date rates	
	2017	2016	2017	2016
US Dollar to Rupee	103.19	104.90	104.88	101.50

Sensitivity analysis

5% strengthening of Pak Rupee against the following currencies at June 30, would have increased / (decreased) equity and profit and loss by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. 5% weakening of Pak Rupee against the above currencies at periods ends would have had the equal but opposites effect on the above currencies to the amount shown below, on the basis that all other variables remain constant.

	2017	2016
	------------------Rupees----------------	
US Dollar	-	-

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the company.

34.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from long term financing and short term borrowings. At the balance sheet date the interest rate profile of the company's interest bearing financial instrument is as follows.

Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	353,744,552	404,455,897

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as used for June 30, 2016.

	Profit and loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Rupees			
Cash flow sensitivity - variable rate instruments 2017	2,889,762	(2,889,762)	2,889,762	(2,889,762)
Cash flow sensitivity - variable rate instruments 2016	1,223,297	(1,223,297)	1,223,297	(1,223,297)

34.4 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

34.5 Off balance sheet items	2017	2016
	------------------Rupees----------------	
Contingencies		
Bills discounted with recourse	109,103,499	72,266,594
Bank guarantee issued in the ordinary course of business	20,663,510	18,263,510
Commitments		
Letter of credit for capital expenditures	14,793,575	-
Letter of credit for stores and spares parts	1,616,641	1,445,202
Letter of credit for raw materials	40,463,056	-

34.6 The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

35 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing, long term loan from directors, associates and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

Borrowings	268,318,258	299,391,197
Total equity	185,241,163	233,368,515
Total capital employed	453,559,421	532,759,712
Gearing ratio	59.16%	56.20%

36 PLANT CAPACITY AND PRODUCTION

It is difficult to describe precisely the production capacity in textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed and twist. It would also vary according to the pattern of production adopted in a particular year.

Total number of spindles installed	27,744	27,744
Total number of spindles worked	27,325	27,298
Number of shifts per day	3	3
Rated capacity converted at 20/1 count (Kgs.)	10,179,706	10,179,706
Actual production converted at 20/1 count (Kgs.)	9,870,737	9,934,069

36.1 It is difficult to precisely describe production capacity and the resultant production in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed, twist etc.

36.2 The difference between installed capacity and actual production is in normal course of business.

37 TRANSACTIONS WITH RELATED PARTIES

The company has related party relationship with its associated undertakings, its directors and key management personnel. Transactions with related parties essentially entail sale and purchase of goods and / or services from the aforementioned concerns. All transactions are carried out on commercial basis.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The company considers all members of their management team, including the chief executive officer and directors to be its key management personnel. There are no transactions with key management personnel other than under the terms of employment.

There are no transactions with key management personnel other than under their terms of employments / entitlements. Balance outstanding from related parties are unsecured and repayable on demand or as contracted. Amounts due to related parties are shown in the relevant notes to the financial statements. Long term financing from related parties, short term borrowings from related parties and remuneration of chief executive, directors and executives are disclosed in the relevant notes to the financial statements.

Details of transactions with related parties are as follows:

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Nature of relationship	Nature of transactions / balances	2017	2016
		------------------Rupees----------------	
Directors	Short term borrowings from directors - received	17,500,000	-
	Closing balance of long term financing from directors	164,802,100	164,802,100
	Closing balance of short term loans from directors	115,035,000	97,535,000
Associated undertaking	Closing Balance of long term financing from associate undertaking	65,000,000	65,000,000
	Closing balance of short term borrowings from associate undertaking	50,000,000	50,000,000
	Short term borrowings from associated undertakings - received	50,000,000	30,000,000
	Short term borrowings from associated undertakings - repaid	(50,000,000)	-

38 NUMBER OF EMPLOYEES

	2017	2016
Total number of employees as at the year end	526	594
Average number of employees worked during the year	520	581

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on Septem**ber 28, 2017** by the board of directors of the company.

40 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE **DIRECTOR**

FORM 34

THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

1. Incorporation Number **L-03969**

2. Name of the Company **GLAMOUR TEXTILE MILLS LTD.**

3. Pattern of holding of the shares held by the shareholders as at **30-06-2017**

4. No. of Shareholders	------Shareholding------ **From**	**To**	**Total Shares Held**
24	1	100	514
254	101	500	122,911
18	501	1,000	17,675
24	1,001	5,000	59,900
2	5,001	10,000	20,000
1	10,001	15,000	12,000
1	15,001	20,000	17,500
1	25,001	30,000	28,000
1	30,001	35,000	35,000
1	60,001	65,000	63,500
3	395,001	400,000	1,200,000
1	1,825,001	1,830,000	1,828,500
1	2,050,001	2,055,000	2,050,300
2	7,050,001	7,055,000	14,100,400
1	7,080,001	7,085,000	7,083,800
335			**26,640,000**

5. Categories of shareholders	Share held	Percentage
5.1 Directors, Chief Executive Officers, and their spouse and minor childern	26,363,500	98.9621
5.2 Associated Companies, undertakings and related parties.	0	0.0000
5.3 NIT and ICP	0	0.0000
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000

5.5 Insurance Companies	0	0.0000
5.6 Modarabas and Mutual Funds	0	0.0000
5.7 Share holders holding 10% or more	23,076,200	86.6224
5.8 General Public		
a. Local	276,499	1.0379
b. Foreign	0	0.0000
5.9 Others (to be specified) **Joint Stock Companies**	1	0.0000

6. Signature of Company Secretary	
7. Name of Signatory	ISHFAQ SAEED
8. Designation	Company Secretary
9. NIC Number	35202-2650396-9
10 Date	30 / 06 / 2017

GLAMOUR TEXTILE MILLS LIMITED
Catagories of Shareholding required under Code of Coprorate Governance (CCG)
As on June 30, 2017

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. ASAD ELAHI	7,968,580	29.9121
2	MR. AZHAR ELAHI	8,057,550	30.2461
3	MR. ATHER JAWED ELAHI	7,050,070	26.4642
4	MR. MANSOOR ELAHI	2,050,300	7.6963
5	MR. SHEHRYAR ELAHI	500	0.0019
6	MR.TAIMOOR ELAHI	500	0.0019
7	MR. MISBAH-UD-DIN CHOHAN	500	0.0019
8	MR. SAAD ELAHI	500	0.0019
9	MR. FAHAD ELAHI	35,000	0.1314
10	MRS. NAUREEN ASAD W/O MR. ASAD ELAHI	400,000	1.5015
11	MRS. SHAFQAT AZHAR W/O MR. AZHAR ELAHI	400,000	1.5015
12	MRS. MEHNAZ ATHER ELAHI W/O MR. ATHER JAWED E	400,000	1.5015
Executives:		0	0.0000
Public Sector Companies & Corporations:		0	0.0000
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		0	0.0000

Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

Sr.No.	Name	Shares	% Age
1	MR. AZHAR ELAHI	8,057,550	30.2461
2	MR. ASAD ELAHI	7,968,580	29.9121
3	MR. ATHER JAWED ELAHI	7,050,070	26.4642
4	MR. MANSOOR ELAHI	2,050,300	7.6963

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
1	MR. AZHAR ELAHI	2,000	-
2	MR. SHEHRYAR ELAHI	-	500
3	MR.TAIMOOR ELAHI	-	500
4	MR. MISBAH-UD-DIN CHOHAN	-	500
5	MR. SAAD ELAHI	-	500