

# TOWELLERS LIMITED

## Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2015

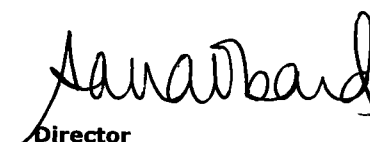
	Note	UNAUDITED	AUDITED
		30-Sep-15 Rupees	30-Jun-15 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	1,000,598,454	1,002,907,301
Long term loans		14,267,575	13,229,572
Long term deposits		6,995,718	6,529,820
		<b>1,021,861,747</b>	<b>1,022,666,693</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	6	13,169,293	22,792,133
Stock in trade		271,311,664	334,113,862
Trade debts		219,033,848	260,828,695
Loans and advances		32,156,234	21,477,341
Trade deposits and short term prepayments		11,635,793	6,059,350
Other receivables		114,534,747	121,450,468
Income tax and Sales tax		81,898,927	95,474,102
Cash and bank balances		200,469,492	87,473,086
		<b>944,209,998</b>	<b>949,669,037</b>
<b>TOTAL ASSETS</b>		<b>1,966,071,745</b>	<b>1,972,335,730</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 25,000,000 (June 30, 2015: 25,000,000) ordinary shares of Rs. 10 each		250,000,000	250,000,000
Issued, subscribed and paid up capital 17,000,000 (June 30, 2015: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		158,408,184	51,586,473
		<b>328,408,184</b>	<b>221,586,473</b>
Surplus on revaluation of property, plant & equipment		645,486,228	652,818,097
<b>NON CURRENT LIABILITIES</b>			
Long term financing from banking companies - secured		25,234,220	29,321,902
Loan from directors & others		20,173,124	20,173,124
<b>Deferred liabilities</b>			
Staff retirement benefits - gratuity		91,058,538	89,125,705
		<b>136,465,882</b>	<b>138,620,731</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		508,634,080	605,854,907
Accrued mark up and interest		134,214,818	134,214,818
Short term borrowings		193,617,153	199,995,304
<b>Current portion of</b>			
Long term financing from banking companies - secured		19,245,400	19,245,400
		<b>855,711,451</b>	<b>959,310,429</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,966,071,745</b>	<b>1,972,335,730</b>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

  
Chief Executive

Karachi:  
Dated : 29-OCTOBER 2015



  
Director

# TOWELLERS LIMITED

## Condensed Interim Profit and loss Account (Un-audited) For the quarter ended September 30, 2015

	Quarter ended	
	30-Sep-15 Rupees	30-Sep-14 Rupees
Net Sales	795,547,214	788,828,229
Cost of sales	(600,763,462)	(668,335,497)
<b>Gross profit</b>	<b>194,783,752</b>	<b>120,492,731</b>
Distribution cost	(42,513,970)	(31,185,564)
Administrative expenses	(45,656,968)	(39,323,362)
Other operating expenses	(7,830,466)	(3,477,592)
Finance cost	(400,564)	(8,221,550)
	(96,401,968)	(82,208,068)
<b>Profit from operations</b>	<b>98,381,784</b>	<b>38,284,664</b>
Other income	9,788,974	10,778,581
Profit before taxation	108,170,758	49,063,245
Provision for taxation	(8,680,916)	(7,386,316)
<b>Profit for the period</b>	<b>99,489,842</b>	<b>41,676,929</b>
<b>Profit per share-basic and diluted</b>	<b>5.85</b>	<b>2.45</b>

*The annexed notes 1 to 9 form an integral part of these condensed interim financial*

  
Chief Executive



  
Director

Karachi:  
Dated : 29-OCTOBER 2015

# TOWELLERS LIMITED


Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the quarter ended September 30, 2015

	Quarter ended	
	30-Sep-15 Rupees	30-Sep-14 Rupees
Profit for the period	99,489,842	41,676,929
Other comprehensive income for the period	-	-
<b>Total comprehensive Profit for the period</b>	<b>99,489,842</b>	<b>41,676,929</b>

*The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.*

  
Chief Executive



  
Director

Karachi:  
Dated : 29-OCTOBER 2015

# TOWELLERS LIMITED

## Condensed Interim Statement of Changes in Equity (Un-audited)


For the quarter ended September 30, 2015

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Sub total	
		Share premium	Unappropriated profit/(loss)		
<b>Rupees</b>					
<b>Balance as at July 01, 2014</b>	170,000,000	63,000,000	(501,643,180)	(438,643,180)	(268,643,180)
Total comprehensive profit for the quarter ended September 30, 2014	-	-	41,676,929	41,676,929	41,676,929
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	3,387,515	3,387,515	3,387,515
Gain on principal amount write off by the banks through sale of Nooriabad Unit by banks.	-	-	380,962,410	380,962,410	380,962,410
<b>Balance as at September 30, 2014</b>	<b>170,000,000</b>	<b>63,000,000</b>	<b>(75,616,327)</b>	<b>(12,616,327)</b>	<b>157,383,673</b>
<b>Balance as at July 01, 2015</b>	170,000,000	63,000,000	(11,413,527)	51,586,473	221,586,473
Total comprehensive profit for the quarter ended September 30, 2015	-	-	99,489,842	99,489,842	99,489,842
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	7,331,869	7,331,869	7,331,869
<b>Balance as at September 30, 2015</b>	<b>170,000,000</b>	<b>63,000,000</b>	<b>95,408,184</b>	<b>158,408,184</b>	<b>328,408,184</b>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

  
Chief Executive



  
Director

Karachi:  
Dated : 29-OCTOBER 2015

# TOWELLERS LIMITED

## Condensed Interim Cash Flow Statement (Un-audited)


For the quarter ended September 30, 2015

	Quarter ended	
	30-Sep-15 Rupees	30-Sep-14 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	108,170,758	49,063,245
<b>Adjustments for:</b>		
Depreciation	12,094,055	7,140,607
Finance cost	400,564	8,221,550
Gain on disposal of property, plant and equipment	(184,644)	(6,481,230)
Workers' profit participation fund	5,800,061	2,627,042
Workers' welfare fund	2,030,405	850,550
Provision for gratuity	5,015,066	4,699,459
	25,155,507	17,057,978
Profit before working capital changes	133,326,264	66,121,223
<b>(Increase) / decrease in current assets</b>		
Stock, stores, spare parts and loose tools	72,425,038	19,852,895
Trade debts	41,794,847	(60,903,788)
Loans and advances	(10,678,892)	(8,495,585)
Trade deposits and short term prepayments	(6,042,341)	30,734,978
Other receivables	6,915,721	773,576,299
	104,414,373	754,764,799
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(105,051,293)	22,325,610
Cash generated from operations	132,689,344	843,211,632
Finance cost paid	(400,563)	(1,643,698)
Taxes refund / (paid)	4,894,260	22,769,739
Long term loan paid	(1,038,003)	(1,113,917)
Staff retirement benefits - gratuity net	(3,082,233)	(4,626,913)
<b>Net cash generated from operating activities</b>	133,062,805	858,596,844
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	675,000	25,230,000
Fixed capital expenditure	(10,275,564)	(54,093,189)
<b>Net cash used in investing activities</b>	(9,600,564)	(28,863,189)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(4,087,683)	(546,287,000)
Short term borrowings - net	(6,378,151)	(275,840,929)
<b>Net cash used in financing activities</b>	(10,465,834)	(822,127,929)
<b>Net increase / (decrease) in cash and cash equivalents</b>	112,996,406	7,605,726
Cash and cash equivalents at the beginning of the year	87,473,086	89,907,967
<b>Cash and cash equivalents at the end of the period</b>	200,469,492	97,513,693

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

  
Chief Executive



  
Director

Karachi:

Dated : 29-OCTOBER 2015

# TOWELLERS LIMITED

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the quarter ended September 30, 2015

### 1 LEGAL STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan as a Private Limited Company on May 31, 1973 and subsequently converted into Public Limited Company on June 22, 1994 under the Companies Act, 1913 (Now Companies Ordinance, 1984) and is quoted on stock exchanges at Karachi and Lahore. The principal business of the company is to manufacture and export of textile made ups, garments and towels. The registered office of the company is situated at WSA - 30 & 31, Block - 1, Federal "B" Area, Karachi in the province of Sindh, Pakistan.

### 2 BASIS OF PREPARATION

#### Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Finance Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2015.

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

These condensed financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the quarter ended September 30, 2015.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2015.

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

### 4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2015.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2015.

### 5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) 30-Sep-15	(Audited) 30-Jun-15
		Rupees	Rupees
Operating assets	5.1	727,121,340	738,381,961
Capital work in progress-at cost	5.2	273,477,114	264,525,340
		<u>1,000,598,454</u>	<u>1,002,907,301</u>

## 5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	30-Sep-15	30-Jun-15
	----- Rupees -----	
<b>Net book value at the beginning of the period/year</b>	738,381,961	431,002,020
<b>Additions during the period/year</b>		
Leasehold land	-	152,499,710
Building on leasehold land	-	50,595,718
Plant and machinery	913,000	149,231,407
Furniture and fixture	39,050	1,087,950
Office equipment	371,740	5,728,812
Vehicles	-	2,792,500
	<b>1,323,790</b>	<b>361,936,097</b>
Net book value of assets disposed during the period/year	(490,356)	(21,742,875)
Depreciation for the period/year	(12,094,055)	(32,813,280)
<b>Net book value at the end of the period/year</b>	<b>727,121,340</b>	<b>738,381,961</b>

## 5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-15	30-Jun-15
	----- Rupees -----	
Building	273,477,114	264,525,340
	<b>273,477,114</b>	<b>264,525,340</b>

## 6 TRADE DEBTS

	Note	(Un-audited)	(Audited)
		30-Sep-15	30-Jun-15
		----- Rupees -----	
<b>Secured - considered good</b>			
Foreign debts		213,499,881	247,091,361
<b>Unsecured - considered good</b>			
Foreign debts		5,304,882	21,871,342
Domestic debts		229,085	69,085
		5,533,967	21,940,427
		219,033,848	269,031,788
Provision for doubtful debts	6.1	-	(8,203,093)
		<b>219,033,848</b>	<b>260,828,695</b>

### 6.1 The movement in provision during the period/year is as follows:

Balance as at July 01,	8,203,093	18,215,209
Add: Provision during the period/year	-	-
	8,203,093	18,215,209
Bad debts written off during the year	-	(5,047,261)
Bad debts recovered during the year	(8,203,093)	(4,964,855)
Balance as at end of the period/year	-	8,203,093

## 7 CONTINGENCIES AND COMMITMENTS

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

	(Un-audited)	(Audited)
	30-Sep-15	30-Jun-15
	-----Rupees-----	
<b>7.1 Contingencies</b>		
Bank guarantees issued in the ordinary course of business	2,280,000	2,280,000
<b>7.2 Commitments</b>		
Building	-	15,000,000
Plant & machinery	-	4,000,000
	-	<b>19,000,000</b>

**8 DATE OF AUTHORIZATION FOR ISSUE**

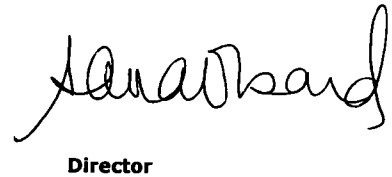
These condensed interim financial statements have been authorized for issue on **29th October 2015** by the board of directors of the company.

**9 GENERAL**

Figures have been rounded off to the nearest rupees.

  
**Chief Executive**



  
**Director**

**Karachi:**  
**Dated : 29-OCTOBER 2015**