

TOWELLERS LIMITED

Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2014

	Note	UNAUDITED	AUDITED
		30-Sep-14 Rupees	30-Jun-14 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	543,934,467	515,730,655
Long term loans		16,199,047	15,085,130
Long term deposits		6,529,820	3,677,382
		566,663,334	534,493,167
CURRENT ASSETS			
Stores, spare parts and loose tools		18,665,728	12,495,662
Stock in trade		416,254,490	442,277,451
Trade debts	6	362,156,152	301,252,364
Loans and advances		32,188,443	23,692,857
Trade deposits and short term prepayments		11,380,916	44,968,331
Other receivables		78,246,437	851,822,736
Income tax and Sales tax		81,208,653	111,364,709
Cash and bank balances		97,513,693	89,907,967
		1,097,614,512	1,877,782,078
TOTAL ASSETS		1,664,277,846	2,412,275,245
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 25,000,000 (June 30, 2014: 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, 2014: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		(148,102,336)	(438,643,180)
		21,897,664	(268,643,180)
Surplus on revaluation of property, plant & equipment		367,628,253	371,015,767
NON CURRENT LIABILITIES			
Long term financing from banking companies - secured		137,476,366	765,179,367
Loan from directors & others		173,124	173,124
Deferred liabilities Staff retirement benefits - gratuity		74,881,544	74,808,998
		212,531,034	840,161,489
CURRENT LIABILITIES			
Trade and other payables		612,995,107	575,167,410
Accrued mark up and interest		140,792,671	134,214,818
Short term borrowings		259,445,783	711,371,608
Current portion of Long term financing from banking companies - secured		48,987,334	48,987,334
		1,062,220,895	1,469,741,170
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		1,664,277,846	2,412,275,245

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


Chief Executive


Director

Karachi:
Dated : 28-OCTOBER 2014



TOWELLERS LIMITED

Condensed Interim Profit and loss Account (Un-audited)

For the quarter ended September 30, 2014

	Quarter ended	
	30-Sep-14 Rupees	30-Sep-13 Rupees
Net Sales	788,828,229	925,718,681
Cost of sales	(668,335,497)	(793,797,958)
Gross profit	120,492,731	131,920,723
Distribution cost	(34,459,640)	(51,061,465)
Administrative expenses	(36,049,286)	(30,199,342)
Other operating expenses	(15,502,087)	(2,117,180)
Finance cost	(8,221,550)	(11,103,613)
	(94,232,563)	(94,481,600)
Profit from operations	26,260,169	37,439,123
Other income	268,279,477	2,787,301
Profit before taxation	294,539,646	40,226,424
Provision for taxation	(7,386,316)	(8,399,587)
Profit for the period	287,153,330	31,826,837
Profit per share-basic and diluted	16.89	1.87

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


Chief Executive


Director

Karachi:

Dated : 28-OCTOBER 2014

TOWELLERS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended September 30, 2014

Quarter ended

	30-Sep-14 Rupees	30-Sep-13 Rupees
Profit for the period	287,153,330	31,826,837
Other comprehensive income for the period	-	-
Total comprehensive Profit for the period	287,153,330	31,826,837

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


Chief Executive


Director

Karachi:

Dated : 28-OCTOBER 2014

TOWELLERS LIMITED

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

For the quarter ended September 30, 2014

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Sub total	
		Share premium	Unappropriated profit/(loss)		
Rupees					
Balance as at July 01, 2013	170,000,000	63,000,000	(452,065,069)	(389,065,069)	(219,065,069)
Total comprehensive profit for the quarter ended September 30, 2013	-	-	31,826,837	31,826,837	31,826,837
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation			10,554,313	10,554,313	10,554,313
Balance as at September 30, 2013	<u>170,000,000</u>	<u>63,000,000</u>	<u>(409,683,919)</u>	<u>(346,683,919)</u>	<u>(176,683,919)</u>
Balance as at July 01, 2014	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	-	-	287,153,330	287,153,330	287,153,330
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation			3,387,515	3,387,515	3,387,515
Balance as at September 30, 2014	<u>170,000,000</u>	<u>63,000,000</u>	<u>(211,102,336)</u>	<u>(148,102,336)</u>	<u>21,897,664</u>

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


Chief Executive


Director

Karachi:
Dated : 28-OCTOBER 2014

TOWELLERS LIMITED

Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended September 30, 2014

	Quarter ended	
	30-Sep-14 Rupees	30-Sep-13 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	294,539,646	40,226,424
Adjustments for:		
Depreciation	7,140,607	34,666,045
Finance cost	8,221,550	11,103,613
Gain on disposal of property, plant and equipment	(6,481,230)	-
Workers' profit participation fund	15,502,087	2,117,180
Provision for gratuity	4,699,459	3,842,243
	<u>29,082,473</u>	<u>51,729,081</u>
Profit before working capital changes	323,622,119	91,955,505
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	19,852,895	9,955,241
Trade debts	(60,903,788)	(47,370,236)
Loans and advances	(8,495,585)	(4,788,310)
Trade deposits and short term prepayments	30,734,978	(7,141,268)
Other receivables	773,576,299	(2,042,383)
	<u>754,764,799</u>	<u>(51,386,956)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	22,325,610	(10,255,341)
Cash generated from operations	<u>1,100,712,528</u>	<u>30,313,208</u>
Finance cost paid	(1,643,698)	(4,203,027)
Taxes refund / (paid)	22,769,739	(23,560,608)
Long term loan paid	(1,113,917)	(1,912,961)
Staff retirement benefits - gratuity net	(4,626,913)	(4,830,289)
Net cash generated from operating activities	<u>1,116,097,740</u>	<u>(4,193,677)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	25,230,000	-
Fixed capital expenditure	(54,093,189)	(8,388,656)
Net cash used in investing activities	<u>(28,863,189)</u>	<u>(8,388,656)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(627,703,000)	(7,587,362)
Short term borrowings - net	(451,925,825)	(719,506)
Net cash used in financing activities	<u>(1,079,628,825)</u>	<u>(8,306,868)</u>
Net increase / (decrease) in cash and cash equivalents	<u>7,605,726</u>	<u>(20,889,201)</u>
Cash and cash equivalents at the beginning of the year	89,907,967	166,718,156
Cash and cash equivalents at the end of the period	<u>97,513,693</u>	<u>145,828,955</u>

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


Chief Executive


Director

Karachi:

Dated : 28-OCTOBER 2014

TOWELLERS LIMITED

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

For the quarter ended September 30, 2014

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, 2014.

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, 2014.

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, 2014.

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, 2014.

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, 2014.

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	30-Sep-14	30-Jun-14
		----- Rupees -----	-----
Operating assets	5.1	406,583,398	431,002,021
Capital work in progress-at cost	5.2	137,351,068	84,728,634
		<u>543,934,467</u>	<u>515,730,655</u>

- 5.1 The cost of additions and deletions to property, plant and equipment during the quarter ended September 30, 2014 were as follows:

	(Un-audited)		(Audited)	
	30-Sep-14		30-Jun-14	
	Acquisition Cost ----- Rupees	Disposal ----- Rupees	Acquisition Cost ----- Rupees	Disposal ----- Rupees
Owned assets				
Freehold land	-	-	173,124	(129,603,124)
Building on freehold land	-	-	-	(567,325,301)
Building on leasehold land	-	-	3,651,476	-
Plant & machinery	12,100	-	16,176,216	(537,354,500)
Electric installation	-	(38,719,938)	-	-
Gas installation	-	(5,214,785)	-	-
Office equipment	1,209,305	-	1,569,536	-
Furniture and fixture	184,350	-	627,350	-
Vehicles	65,000	(315,000)	1,414,978	(481,000)
Total	<u>1,470,755</u>	<u>(44,249,723)</u>	<u>23,612,680</u>	<u>(1,234,763,925)</u>

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-14	30-Jun-14
	----- Rupees	----- Rupees
Building	137,351,068	84,728,634
	<u>137,351,068</u>	<u>84,728,634</u>

6 TRADE DEBTS

	Note	(Un-audited)	(Audited)
		30-Sep-14	30-Jun-14
		----- Rupees	----- Rupees
Secured - considered good			
Foreign debts		333,016,081	266,398,411
Unsecured - considered good			
Foreign debts		42,562,237	44,943,315
Domestic debts		2,600,298	8,125,847
		45,162,534	53,069,162
		<u>378,178,615</u>	<u>319,467,573</u>
Provision for doubtful debts	6.1	(16,022,464)	(18,215,209)
		<u>362,156,152</u>	<u>301,252,364</u>

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

Balance as at July 01,	18,215,209	18,215,209
Add: Provision during the period/year	-	-
	18,215,209	18,215,209
Bad debt recover	(2,192,745)	-
Balance as at end of the period/year	<u>16,022,464</u>	<u>18,215,209</u>

7 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements except as disclosed in note 7.1 and 7.2 respectively.

	(Un-audited)	(Audited)
	30-Sep-14	30-Jun-14
	-----Rupees-----	

7.1 Contingencies

Bank guarantees issued in the ordinary course of business	9,259,750	37,039,000
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7.2 Commitments

Building	3,222,434	43,333,385
Plant & machinery	49,400,000	49,400,000
	52,622,434	92,733,385

8 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 28 - OCTOBER 2014 by the board of directors of the company.

9 GENERAL

Figures have been rounded off to the nearest rupees.


Chief Executive


Director

Karachi:
Dated : 28-OCTOBER 2014