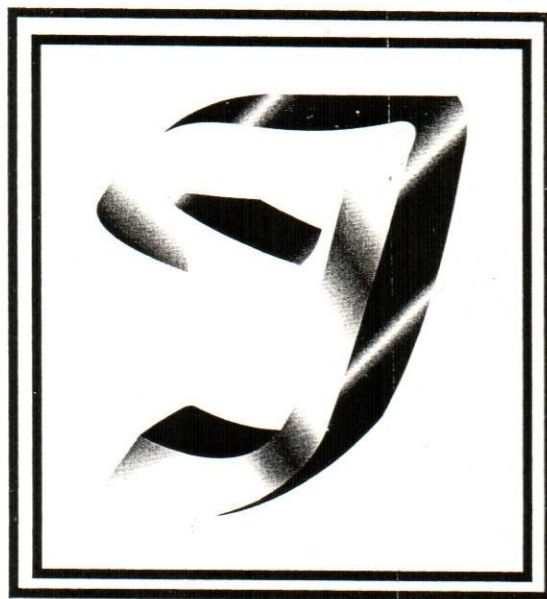


TOWELLERS LIMITED

REVIEWED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2017



TOWELLERS LIMITED



Vision

The Company's Management strives to achieve the top slot in any business field that they enter and having achieved that, their endeavour is to retain that status without overstepping the bounds of fair play and the norms of business ethics.

Mission

Through self discipline be an example to their fellow beings that great heights are achievable in all fields without trampling the rights of others and also ensuring that those associated with the venture, be it the shareholders, the workers from the top to the bottom are satisfied with the returns that accrue to them. A seemingly difficult, if not an impossible task but it is the chosen path on which the Company is headed and thus far it has successfully followed it. Providing maximum employment opportunities and contributing their mite to the Country's economy.

Contents

	Page
Company Information	2
Director's Report English/Urdu	3-4
Review Report to the members	5
Balance Sheet	6
Profit and Loss Account	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to the Accounts	11-13
Important Notice for the Share Holders	14-15
E-Dividend Mandate Form	16

TOWELLERS LIMITED

COMPANY INFORMATION BOARD OF DIRECTORS

Ms.	Surraiya Junaid	Chairperson
Ms.	Mehreen Obaid Agha	Managing Director
Ms.	Mahjabeen Obaid	Director
Ms.	Sana Bilal	Director
Ms.	Hadeel Obaid	Director
Mr.	Zeeshan K. Sattar	Director
Mr.	Abdul Jalil Shariff	Director
Mr.	Valy Tariq Rangoonwala	Independent Director

BOARD AUDIT COMMITTEE

Mr.	Valy Tariq Rangoonwala	Chairman
Ms.	Hadeel Obaid	Member
Mr.	Abdul Jalil Shariff	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr.	Zeeshan K. Sattar	Chairman
Ms.	Mahjabeen Obaid	Member
Mr.	Abdul Jalil Shariff	Member

CHIEF FINANCIAL OFFICER

Mr. M. Farzan Ijtiba

COMPANY SECRETARY

Mr. M. Farhan Adil

STATUTORY AUDITORS

Mushtaq & Company
Chartered Accountants
407-Commerce Centre, Hasrat Mohani Road, Karachi.

BANKERS

Soneri Bank Limited
Bank Islami Pakistan Ltd
Allied Bank Limited
MCB Bank Limited
United Bank Limited
Faysal Bank Ltd
Summit Bank Ltd
Silk Bank Ltd
Dubai Islamic Bank Pakistan Ltd

REGISTRAR & SHARE REGISTRATION OFFICE

T.H.K., Associates Pvt. Ltd
Head Office 1st floor 40-C, Block 6
P.E.C.H.S. Karachi 75400
P.O. Box # 8533

REGISTERED OFFICE

WSA-30 & 31, Block-1, Federal "B" Area, Karachi-75950

Web Site : www.towellers.com

Company Registration **National Tax** **& Sales Tax No.**
C.R. # 0004042 NTN 0676889-0, Sales Tax # 02-03-5111-007-55

FACTORIES

Plots No. 14, 15/1, 15/2, 15/A, 16/2, 17/1, 17/2, 17/3.
Sector 12-D, N.K.I.A., and Plot No. 9 & 10, Sector 12-C, N.K.I.A., Karachi.

TOWELLERS LIMITED

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Directors of the Company have pleasure in submitting their Report together with the un-audited financial statements of the Company for the half year ended December 31, 2017 duly reviewed by external auditors, who have issued a review report, which is annexed to the financial statements.

By the Grace of Allah the Company made a profit of Rs. 234.09 million after meeting all operational, administrative, financial and other expense.

FINANCIAL HIGHLIGHTS

	Rupees in Thousand Half Year Ended December 31	
	2017	2016
Net Sales	1,390,549	1,484,956
Gross Profit	195,136	264,150
Other Income	237,007	10,062
Profit before taxation	246,594	116,339
Taxation	(12,507)	(14,845)
Profit after taxation	234,087	101,494

REVIEW OF OPERATIONS

During the period your Company has achieved a Sales Volume of Rs. 1,391million the profit before tax for the six months of the current financial year was 246 million compared to Rs. 116 million in the corresponding period of previous year. The gross profit as a percentage of sales was 14.03 % as compared to 17.79 % in the corresponding period the earnings per share for the half year ended December 31, 2017 was Rs. 13.77 as compared to Rs. 5.97 for previous corresponding period.

FUTURE OUT LOOK

Imposition of regulatory duty and increase in raw material prices and geo political condition are main challenges for the business. The Company will remain strongly focus to overcome these challenges and hopeful that with continued efforts, the Company would achieve the desired results.

ACKNOWLEDGEMENTS

We convey our gratitude towards our members for expressing their faith in the management of the Company. We are also thankful to our officers and workers for employing their skill and hard working.

FOR AND ON BEHALF OF THE BOARD

MEHREEN OBAID AGHA
Chief Executive

Karachi, February 23, 2018

TOWELLERS LIMITED

ڈائریکٹر رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹر ان آپ کے سامنے نہایت مسرت کے ساتھ 31 دسمبر، 2017 کو اختتام پذیر ہونی والی ششماہی کی غیر آڈٹ شدہ مالیاتی تفصیلات پیش کر رہے ہیں جس کا جائزہ حسب دستور بیرونی آڈیٹر نے لے کر اپنی جائزہ رپورٹ مالیاتی تفصیلات کے ساتھ منسلک کر دی ہے۔

اللہ تعالیٰ کے فضل سے کمپنی نے تمام آپریٹنگ، انتظامی، مالیاتی اور دیگر اخراجات پورا کرنے کے بعد 234.09 ملین کا منافع کیا ہے۔ مالیاتی کارکردگی:

2016	2017	
		رقم ہزاروں میں
1,484,956	1,390,549	کل فروختگی
264,150	195,136	مجموعی منافع
10,062	237,007	دیگر ذرائع سے آمدن
116,339	246,594	قبل از ٹیکس منافع
(14,845)	(12,507)	ٹیکس
101,494	234,087	بعد از ٹیکس منافع

کاروباری کارکردگی کا جائزہ:

اس مدت کے دوران آپ کی کمپنی نے 1391 ملین سیلز حجم (فروختگی) کو حاصل کیا ہے اور رواں مالی سال بھی ششماہی کے لئے ٹیکس سے قبل منافع 246 ملین رہا ہے جبکہ گزشتہ سال اس ہی مدت میں یہ منافع 116 ملین تھا شرح کل منافع فروخت کا 14.03 فیصد تھا جبکہ یہی شرح گزشتہ سال کی اس ہی مدت میں 17.79 فیصد تھی۔ 31 دسمبر 2017 کو ختم ہونے والی ششماہی کے لئے آمدنی فی حصص 13.77 روپیہ ہے جبکہ پچھلے سال کی اس ہی مدت میں یہ 5.97 روپیہ تھی۔

مستقبل کا منظر نامہ:

ریگولیٹری ڈیویڈ کا نفاذ اور خام مال کی قیمتوں میں اضافہ اور جغرافیائی سیاسی حالات کاروبار کے لئے بنیادی چیلنج ہیں آپ کی کمپنی ان چیلنجز کے لئے بھرپور توجہ مرکوز کئے رکھے گی اور ہم پُر امید ہیں کہ مسلسل کوششوں سے یہ کمپنی مطلوبہ نتائج حاصل کرے گی۔

اظہار تشکر:

ہم کمپنی کے ارکان کا انتظامیہ پر بھروسہ رکھنے پر شکر گزار ہیں اس کے ساتھ ساتھ ہم اپنے افسران اور کارکنان کے بھی مشکور ہیں جنہوں نے مہارت اور جانفشانی سے کام کیا ہے۔

بورڈ کی جانب سے

مہرین عبید آغا

چیف ایگزیکٹو

کراچی:

تاریخ: 23 فروری 2018

TOWELLERS LIMITED

REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS For The Period Ended December 31, 2017

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Towellers Limited** as at December 31, 2017, and the related 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 forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

KARACHI:
Date: February 23, 2018

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Mushtaq Ahmed Vohra
FCA

TOWELLERS LIMITED

TOWELLERS LIMITED

Condensed Interim Balance Sheet (Un-audited)
As at December 31, 2017

	Note	UNAUDITED 31-Dec-17 Rupees	AUDITED 30-Jun-17 Rupees
Property, plant and equipment	5	1,252,237,474	989,150,121
Long term loans		12,835,406	12,041,399
Long term deposits		17,100,320	6,529,820
		1,282,173,200	1,007,721,340
Stores, spare parts and loose tools		9,123,816	9,833,368
Stock in trade		204,456,901	278,499,086
Trade debts	6	375,598,193	220,283,574
Loans and advances		8,552,043	11,113,710
Trade deposits and short term prepayments		14,372,327	12,707,593
Other receivables		89,122,168	131,617,283
Income tax and sales tax refundable		123,234,726	115,215,321
Cash and bank balances		125,883,846	162,311,379
Non-current assets held for sale		13,775,094	13,775,094
		964,119,114	955,356,408
		2,246,292,314	1,963,077,748
Authorized capital			
25,000,000 (June 30, 2017: 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, 2017: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		572,189,714	321,128,435
		742,189,714	491,128,435
Surplus on revaluation of property, plant & equipment		863,469,801	597,265,397
Long term financing from banking companies - secured		-	100,000,575
Deferred liabilities			
Staff retirement benefits - gratuity		106,060,272	104,152,562
		106,060,272	204,153,137
Trade and other payables		526,578,580	520,109,823
Accrued mark up and interest		-	134,214,818
Short Term borrowing from director		2,708,337	3,958,335
Current portion of			
Long term financings		5,285,610	12,247,803
		534,572,527	670,530,779
CONTINGENCIES AND COMMITMENTS	7		
		2,246,292,314	1,963,077,748

Mehreen Obaid Agha
Chief Executive

Abdul Jaleel Sharif
Director

Muhammad Farzan Ijtiba
Chief Financial Officer

Karachi, February 23, 2018

TOWELLERS LIMITED

TOWELLERS LIMITED

Condensed Interim Profit and loss Account (Un-audited)
For the Quarter & half year ended December 31, 2017

	Half Year Ended		Quarter Ended	
	31-Dec-17 Rupees	31-Dec-16 Rupees	31-Dec-17 Rupees	31-Dec-16 Rupees
Net Sales	1,390,549,340	1,484,956,168	769,922,001	799,916,838
Cost of sales	(1,195,412,925)	(1,220,805,823)	(665,534,678)	(653,439,659)
Gross profit	195,136,415	264,150,345	104,387,323	146,477,179
Distribution cost	(80,267,541)	(65,942,974)	(35,123,859)	(43,010,285)
Administrative expenses	(90,106,368)	(81,609,071)	(46,300,198)	(35,913,941)
Other operating expenses	(12,978,632)	(6,123,096)	(6,169,297)	(3,210,519)
Other income	2,792,139	10,061,789	1,229,740	8,099,407
Waiver of loan	100,000,000	-	100,000,000	-
Waiver of mark-up	134,214,818	-	-	-
	53,654,416	(143,613,352)	13,636,387	(74,035,339)
Profit from operations	248,790,831	120,536,993	118,023,710	72,441,840
Finance cost	(2,196,815)	(4,198,174)	(807,052)	(1,606,164)
Profit before taxation	246,594,016	116,338,819	117,216,658	70,835,676
Provision for taxation	(12,506,578)	(14,845,267)	(6,766,345)	(8,464,944)
Profit for the period	234,087,438	101,493,552	110,450,313	62,370,732
Profit per share-basic and diluted	13.77	5.97	6.50	3.67

Mehreen Obaid Agha
Chief Executive

Abdul Jaleel Sharif
Director

Muhammad Farzan Ijtiba
Chief Financial Officer

Karachi, February 23, 2018

TOWELLERS LIMITED

TOWELLERS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Quarter & half year ended December 31, 2017

	Half Year Ended		Quarter Ended	
	31-Dec-17 Rupees	31-Dec-16 Rupees	31-Dec-17 Rupees	31-Dec-16 Rupees
Profit for the period	234,087,438	101,493,552	110,450,313	62,370,732
Other comprehensive income for the period	-	-	-	-
Total comprehensive Profit for the period	234,087,438	101,493,552	110,450,313	62,370,732

Mehreen Obaid Agha
Chief Executive

Karachi, February 23, 2018

Abdul Jaleel Sharif
Director

Muhammad Farzan Ijtiba
Chief Financial Officer

TOWELLERS LIMITED

TOWELLERS LIMITED

Condensed Interim Statement of Changes in Equity (Un-audited)
For the half year ended December 31, 2017

Particulars	Share capital	Reserves		Sub total	Total
		Capital	Revenue		
		Share premium	Unappropriated profit/(loss)		
Rupees					
Balance as at July 01, 2016	170,000,000	63,000,000	127,538,434	190,538,434	360,538,434
Total comprehensive profit for the half year ended December 31, 2016	-	-	101,493,552	101,493,552	101,493,552
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	13,673,193	13,673,193	13,673,193
Balance as at December 31, 2016	170,000,000	63,000,000	242,705,179	305,705,179	475,705,179
Balance as at July 01, 2017	170,000,000	63,000,000	258,128,435	321,128,435	491,128,435
Total comprehensive profit for the half year ended December 31, 2017	-	-	234,087,438	234,087,438	234,087,438
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	16,973,841	16,973,841	16,973,841
Balance as at December 31, 2017	170,000,000	63,000,000	509,189,714	572,189,714	742,189,714

Mehreen Obaid Agha
Chief Executive

Karachi, February 23, 2018

Abdul Jaleel Sharif
Director

Muhammad Farzan Ijtiba
Chief Financial Officer

TOWELLERS LIMITED

TOWELLERS LIMITED

Condensed Interim Cash Flow Statement (Un-audited)
For the half year ended December 31, 2017

	Half Year	
	31-Dec-17 Rupees	31-Dec-16 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	246,594,016	116,338,819
Adjustments for:		
Depreciation	44,188,392	38,751,074
Finance cost	2,196,815	4,198,174
Gain on disposal of property, plant and equipment	(331,009)	(861,572)
Workers' profit participation fund	12,978,632	6,123,096
Provision for gratuity	11,937,120	11,347,290
	<u>70,969,950</u>	<u>59,558,062</u>
Profit before working capital changes	317,563,966	175,896,881
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	74,751,737	32,100,871
Trade debts	(155,314,619)	(25,748,625)
Loans and advances	2,561,667	4,714,041
Trade deposits and short term prepayments	(12,235,234)	1,534,700
Other receivables	42,495,115	18,619,263
	<u>(47,741,334)</u>	<u>31,220,250</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(6,509,875)	(51,509,129)
Cash generated from operations	<u>263,312,757</u>	<u>155,608,002</u>
Finance cost paid	(136,411,634)	(4,198,174)
Taxes refund / (paid)	(20,525,983)	(2,981,926)
Long term loan paid	(794,007)	(723,039)
Staff retirement benefits - gratuity net	(10,029,410)	(10,895,298)
Net cash generated from operating activities	<u>95,551,722</u>	<u>136,809,566</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	364,000	2,960,000
Fixed capital expenditure	(24,130,490)	(33,067,357)
Net cash used in investing activities	<u>(23,766,490)</u>	<u>(30,107,357)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(106,962,768)	(24,723,137)
Short term borrowings - net	(1,249,998)	-
Net cash used in financing activities	<u>(108,212,766)</u>	<u>(24,723,137)</u>
Net increase / (decrease) in cash and cash equivalents	(36,427,533)	81,979,072
Cash and cash equivalents at the beginning of the year	162,311,379	80,703,444
Cash and cash equivalents at the end of the period	<u>125,883,846</u>	<u>162,682,516</u>

Mehreen Obaid Agha
Chief Executive

Abdul Jaleel Sharif
Director

Muhammad Farzan Ijtiba
Chief Financial Officer

Karachi, February 23, 2018

TOWELLERS LIMITED

TOWELLERS LIMITED

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

For the half year ended December 31, 2017

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 PSX. 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

Effective 30 May 2017, the companies Act, 2017 (The Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No.23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial information of the companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance 1984. Accordingly, these condensed interim financial information have been prepared in accordance with International Accounting Standard-34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ the provision of or directive issued under the repealed Companies Ordinance, 1984 have been followed.

Currently, the company is assessing the impact of these requirement on the financial statements. It is expected that it will result in change in accounting treatments and enhanced disclosures in the financial statements which will be incorporated in the subsequent financial statements of the company.

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, 2017.

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 half year ended December 31, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2017.

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, 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

TOWELLERS LIMITED

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	31-Dec-17	30-Jun-17
		----- Rupees -----	-----
Operating assets	5.1	1,214,660,449	967,198,215
Capital work in progress-at cost	5.2	37,577,025	21,951,906
		<u>1,252,237,474</u>	<u>989,150,121</u>

5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	31-Dec-17	30-Jun-17
	----- Rupees -----	-----
Net book value at the beginning of the period/year	967,198,215	1,024,074,803
Additions & surplus during the period/year		
Leasehold land	202,198,921	-
Building on leasehold land	42,280,712	-
Plant and machinery	42,793,390	9,738,313
Furniture and fixture	757,790	1,050,210
Office equipment	1,796,718	5,678,750
Software	262,585	-
Vehicles	1,593,500	5,278,818
	<u>291,683,616</u>	<u>21,746,091</u>
Net book value of assets disposed during the period/year	(32,991)	(2,107,788)
Depreciation for the period/year	<u>(44,188,392)</u>	<u>(76,514,891)</u>
Net book value at the end of the period/year	<u>1,214,660,449</u>	<u>967,198,215</u>

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	31-Dec-17	30-Jun-17
	----- Rupees -----	-----
Building	22,359,606	21,951,906
Plant & Machinery	4,664,692	-
Waste Water Treatment Plant	10,552,727	-
	<u>37,577,025</u>	<u>21,951,906</u>

6 TRADE DEBTS

	(Un-audited)	(Audited)
	31-Dec-17	30-Jun-17
	----- Rupees -----	-----
Secured - considered good	371,778,966	220,283,574
Foreign debts		
Unsecured - considered good	-	-
Foreign debts	3,819,227	-
Domestic debts		
	<u>375,598,193</u>	<u>220,283,574</u>

TOWELLERS LIMITED

7 CONTINGENCIES AND COMMITMENTS

	(Un-audited)	(Audited)
	31-Dec-17	30-Jun-17
	-----Rupees-----	

7.1 Contingencies

Bank guarantees issued in the ordinary course of business	9,405,000	9,405,000
---	-----------	-----------

7.2 Commitments

8 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises associated companies, directors and key management personnel. Amounts due to related parties are shown in the relevant notes to the financial statements. Transactions with related parties are disclosed below:

Nature of transaction	Relationship	Rupees
Salaries and other benefits	C.E.O & Directors	15,003,267
Loan repay to C.E.O	C.E.O & Directors	1,249,998

9 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions of the purposes of comparison. Significant reclassifications made the as following:

From	To	Nature	Rupees
Administrative	Distribution cost	Travelling	8,782,219.00

10 DATE OF AUTHORIZATION FOR ISSUE

These condensed half year financial statements have been authorized for issue on February 23, 2018 by the board of directors of the company.

11 GENERAL

Figures have been rounded off to the nearest rupees.

Mehreen Obaid Agha
Chief Executive

Abdul Jaleel Sharif
Director

Muhammad Farzan Ijtiba
Chief Financial Officer

TOWELLERS LIMITED

IMPORTANT NOTES FOR THE SHAREHOLDERS

Dear Shareholder(s)

Please go through the following notes. It will be appreciated if you please respond to your relevant portion at the earliest:

1. Withholding of Payment of Dividend – CNIC Requirement:

The Securities and Exchange Commission of Pakistan (“SECP”) has made it mandatory for listed companies to mention, in the case of Individuals, Computerized National Identity Card (“CNIC”), or passport number and in the case of Corporate Entity, National Tax Number (“NTN”) of the shareholders or their authorized persons, on dividend warrants. In the absence of such information payment of dividend will be withheld in terms of the provisions of the Companies Act, 2017 (“Act”) stating that a company may withhold the payment of dividend of a member where the member has not provided the complete information or documents as specified by SECP. Therefore, shareholders who have not yet provided such information are once again advised to provide the same to the Share Registrar of the Company.

2. Deduction of Withholding Tax on the Amount of Dividend at Revised Rates:

The Government of Pakistan through Finance Act, 2017, has made amendment in Section 150 of the Income Tax Ordinance, 2001, whereby, withholding tax on dividends has been enhanced as follows:

For Filers of Income Tax Returns:	15.0%
For Non-Filers of Income Tax Returns:	20.0%

In case of joint-shareholders, tax is to be deducted as per ratio of their respective share in the ownership.

Federal Board of Revenue (“FBR”) has provided the Active Tax-payer List (“ATL”) for identification on the basis of NTN/CNIC number; hence, in case of non-availability of valid NTN/CNIC number with Company Share Registrar, the shareholder will be treated as ‘Non-Filer’ and accordingly tax at the rate of 20% would be deducted. Therefore, shareholders who have not yet provided such information are requested to ensure that their valid NTN/CNIC number is available with the Share Registrar of the Company. Shareholders having CDC Accounts are required to provide their valid NTN/CNIC number to their respective participants.

3. Deduction of Withholding Tax on Joint Account Holder(s):

The Joint Account Holders whose shareholding details as to Principal Shareholder have not yet been determined for deduction of withholding tax, are requested to please furnish to the Share Registrar of the Company the shareholding details of yourself as Principal Shareholder and your Joint Holder(s) in the following manner, to compute withholding tax of each shareholder accordingly:

TOWELLERS LIMITED

CDC Account No./Folio No.	Name of Principal Shareholder/Joint Holders	Shareholding Proportion	CNIC No. (Copy attached)	Signature

Kindly note that in case of non-receipt of the information each shareholder will be assumed to hold equal proportion of shares and the deduction will be made accordingly.

4. Deposit of Physical Shares into CDC Account:

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scriptless form, this will facilitate them in many ways including safe custody and sale of shares, any time as the trading of physical shares is not permitted as per existing regulations of the Exchange. Further, Section 72 of the Act states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act.

5. Unclaimed Dividend / Shares :

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividends and shares, shall be delivered to the SECP.

6. Change of Address / E-mail Address

All registered shareholders should send information of changes of addresses and e-mail address, if any to the share registrar of the Company:

While sending of NTN/CNIC number, shareholders are requested to quote their respective Folio/CDC Account Numbers for identification purpose.

For any query/problem/information, Members may contact the Company Secretary at phone no. 021-36313222, email:farhan@towelllers.com and/or THK Associates Pvt Ltd Head Office 1st Floor, 40-C Block-6, P.E.C.H.S Karachi. At phone no. 92 (021) 111-000-322, 92 (021) 34168266-68 email:secretariat@thk.com.pk

TOWELLERS LIMITED

E-DIVIDEND MANDATE FORM

7. Payment of cash dividend through electronic mode.

Electronic Payment of Cash Dividend (e-dividend) in accordance with the requirement of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulations, 2017, shareholders are requested to provide their CNIC's and bank account detail including name of the bank, address of bank branch and International Bank Account Number (IBAN) to receive their cash dividend directly into their bank account instead of receiving it through dividend warrants. Therefore, all individual members who have not yet provided their CNIC and Bank Account details are once again requested to submit a copy of their CNIC and duly filled Dividend Bank Mandate form to the Share Registrar or to the Company. In the absence of valid bank account details and CNIC, dividend amount will be withheld in compliance with the afore mentioned provisions of Companies Act and Regulations.

The members who hold shares in dematerialized form are requested to submit the dividend bank mandate form duly filled to their participant/investor account services in the CDC.

SHAREHOLDERS PARTICULARS FOR ELECTRONIC TRANSMISSION OF CASH DIVIDEND

I/We/Messers _____
Being a/the shareholder(s) of Towellers Limited (the "Company") hereby authorize the Company to directly electronically transmit of all future cash dividends, in the bank account bearing the details stipulated below:

Name of Shareholder: _____

Folio no./CDC Participant ID and Account no.: _____

Contact no.: Cell: _____ Landline: _____

Email address: _____

Name of Bank: _____

Branch and mailing address of Bank: _____

IBAN no.: _____

Title of Account.: _____

CNIC no.: _____

NTN no.: (in case of corporate entity): _____

I/we hereby undertake that the above stipulated particulars provided by me/us are correct to the best of my/our knowledge. I/we shall keep the Company/Participant/CDC Investor Account services apprised of any change in the particular stated hereinabove and I/we hereby indemnify the Company against any ramifications of any failure on my/our part to do so.

Signature of shareholder(s)

Note: Please provide complete IBAN no. after confirming the same with your concerned bank branch to enable electronic transmission of cash dividends into your bank account. The payment of cash dividend shall be processed on the basis of information provided by the shareholder(s).

The Company shall not be responsible for any loss/damage/liability/claim arising, directly and/or indirectly, from any error, delay and/or failure on the part of the shareholder(s) in its obligations hereunder.

Also please note that all those shareholders who have already provided their mandate are requested to check correctness and activeness of their bank accounts for credit of their future cash dividend(s) without any delay and complications.