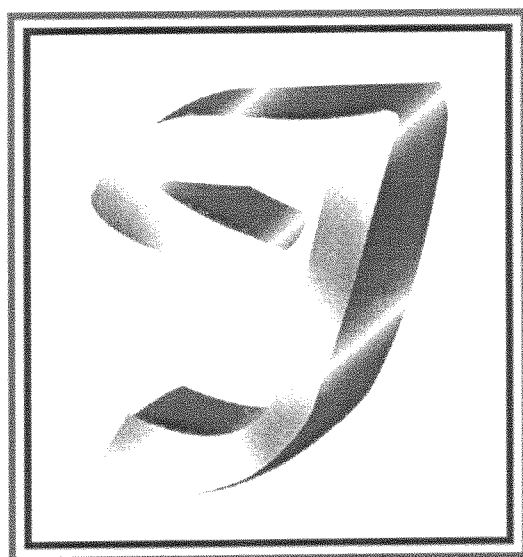


TOWELLERS LIMITED

UNAUDITED ACCOUNTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2016



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.

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TOWELLERS LIMITED

COMPANY INFORMATION BOARD OF DIRECTORS CHAIRPERSON

Mrs. Surrailya Junaid

CHIEF EXECUTIVE OFFICER

Ms. Mehreen Obaid Agha

DIRECTORS

Ms. Mahjabeen Obaid
Ms. Sana Bilal
Ms. Hadeel Obaid
Mr. Zeeshan K. Sattar
Mr. Abdul Jalil Shariff

COMPANY SECRETARY

Mr. M. Farhan Adil

CHIEF FINANCIAL OFFICER

Mr. M. Farzan Ijtiba

BANKERS

Soneri Bank Limited
KASB Bank Ltd.
Allied Bank Limited
Muslim Commercial Bank Limited
United Bank Limited
NIB Bank
Summit Bank Ltd.
Silk Bank Ltd.
Dubai Islamic Bank Pakistan Ltd.

AUDITORS

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

SHARE REGISTRAR

T.H.K., Associates Pvt. Ltd.
First Floor, State Life Building, #. 3,
Dr. Zaiuddin Ahmed Road, Karachi-75530, P.O.Box #. 8533

AUDIT COMMITTEE

Ms. Swaleha Alam (Chairman)
Ms. Hadeel Obaid (Member)
Ms. Sana Bilal (Member)

INTERNAL AUDIT DEPARTMENT

Mr. Syed Muhammad Khalid (Head of Audit Deptt.)
Mr. Sanaullah Khan (Secretary)
Mr. Abdul Muqtadir Sheraz (Member)
Mr. Sarfaraz Baig (Member)

REGISTERED OFFICE

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

Web Site : www.towellers.com

E-mail : towellers@cyber.net.pk

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Zeeshan K. Sattar, Mahjabeen Obaid, Abdul Jalil Shariff

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.

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 Nine Months ended March 31st, 2016.

By the grace of God the company made a profit of Rs. 190.79 million after meeting all operational administrative, financial and other expenses.

FINANCIAL HIGHLIGHTS

**NINE MONTHS ENDED MARCH 31, 2016
RUPEES IN THOUSANDS**

	2016	2015
Sales & Services	1,995,813	2,087,772
Gross profit	440,327	339,929
Other income	14,137	15,301
Profit before taxation	212,675	135,154
Taxation	(21,885)	(22,577)
Profit after taxation	<u>190,790</u>	<u>112,577</u>

Acknowledgment

Yours Directors record with appreciation, the efforts of the company's managers, technicians and workers who have worked vigorously to meet the target. Yours Directors also extent their appreciation to the company's Banker, Buyers and Suppliers for the Co-operation extended by them.

TOWELLERS LIMITED

Condensed Interim Balance Sheet (Un-audited)
As at March 31, 2016

	Note	31-Mar-16 Rupees	30-Jun-15 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,045,282,069	1,002,907,301
Long term loans		13,935,866	13,229,572
Long term deposits		6,579,820	6,529,820
		1,065,797,755	1,022,666,693
CURRENT ASSETS			
Stores, spare parts and loose tools		13,418,738	22,792,133
Stock in trade		412,536,225	334,113,862
Trade debts	6	115,986,321	260,828,695
Loans and advances		11,608,000	21,477,341
Trade deposits and short term prepayments		14,815,044	6,059,350
Other receivables		111,653,856	121,450,468
Income tax and sales tax refundable		101,601,326	95,474,102
Cash and bank balances		122,134,972	87,473,086
		903,754,482	949,669,037
TOTAL ASSETS		1,969,552,237	1,972,335,730
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised 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		264,372,155	51,586,473
		434,372,155	221,586,473
Surplus on revaluation of property, plant & equipment		630,822,490	652,818,097
NON CURRENT LIABILITIES			
Long term financing		126,678,685	29,321,902
Loan from directors & others		5,173,124	20,173,124
Deferred liabilities Staff retirement benefits - gratuity		96,831,788	89,125,705
		228,683,597	138,620,731
CURRENT LIABILITIES			
Trade and other payables		475,827,763	605,854,907
Accrued mark up and interest		134,214,818	134,214,818
Short term borrowings		16,386,013	199,995,304
Current portion of Long term financing		49,245,400	19,245,400
		675,673,995	959,310,429
CONTINGENCIES AND COMMITMENTS			
	7	-	-
TOTAL EQUITY AND LIABILITIES		1,969,552,237	1,972,335,730

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive

Karachi: **26 APR 2016**

Dated : _____

Director

TOWELLERS LIMITED

Condensed Interim Profit and Loss Account (Un-audited) For the nine months ended March 31, 2016

	9 Months Ended		Quarter Ended	
	31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
Sales	1,995,812,743	2,087,772,322	515,608,784	529,644,315
Cost of sales	(1,555,485,274)	(1,747,843,225)	(435,294,721)	(459,398,414)
Gross profit	440,327,469	339,929,097	80,314,063	70,245,901
Distribution cost	(100,440,946)	(102,923,608)	(28,388,856)	(26,158,474)
Administrative expenses	(122,136,582)	(99,154,922)	(39,544,498)	(32,567,956)
Other operating expenses	(15,292,014)	(9,531,760)	(736,255)	(1,613,491)
Finance cost	(3,920,103)	(8,466,084)	(1,767,288)	9,956,851
	(241,789,646)	(220,076,373)	(70,436,897)	(50,383,069)
Profit from operations	198,537,823	119,852,724	9,877,166	19,862,832
Other income	14,136,934	15,300,963	2,008,111	3,738,339
Profit before taxation	212,674,757	135,153,687	11,885,277	23,601,171
Provision for taxation	(21,884,683)	(22,576,798)	(6,731,533)	(6,316,056)
Profit for the period	190,790,074	112,576,889	5,153,744	17,285,115
Earnings per share - basic and diluted	11.22	6.62	0.30	1.02

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive

Karachi: 26 APR 2016

Dated : _____

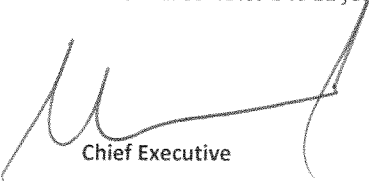
Director

TOWELLERS LIMITED


Condensed Interim Statement of Comprehensive Income (Un-audited)
For the nine months ended March 31, 2016

	Nine months Ended		Quarter Ended	
	31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
Profit for the period	190,790,074	112,576,889	5,153,744	17,285,115
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	190,790,074	112,576,889	5,153,744	17,285,115

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.


Chief Executive

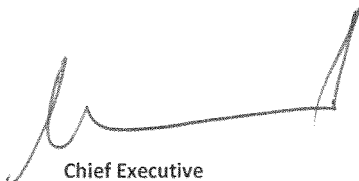
Karachi: **26 APR 2016**
Dated : _____


Director

TOWELLERS LIMITED**Condensed Interim Statement of Changes in Equity (Un-audited)
For the nine months ended March 31, 2016**

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Sub total	
		Share premium	Unappropriated profit/(loss)		
Rupees					
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 nine months ended March 31, 2015	-	-	112,576,889	112,576,889	112,576,889
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation.	-	-	10,162,544	10,162,544	10,162,544
Loss recover from banks against disposal of fixed assets	-	-	257,500,896	257,500,896	257,500,896
Balance as at March 31, 2015	170,000,000	63,000,000	(121,402,851)	(58,402,851)	111,597,149
Balance as at July 01, 2015	170,000,000	63,000,000	(11,413,527)	51,586,473	221,586,473
Total comprehensive profit for the nine months ended March 31, 2016	-	-	190,790,074	190,790,074	190,790,074
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation.	-	-	21,995,607	21,995,607	21,995,607
Balance as at March 31, 2016	170,000,000	63,000,000	201,372,155	264,372,155	434,372,155

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



Chief Executive

Karachi: 26 APR 2016

Dated : _____



Director

TOWELLERS LIMITED

Condensed Interim Cash Flow Statement (Un-audited)
For the nine months ended March 31, 2016

	31-Mar-16 Rupees	31-Mar-15 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	212,674,757	135,153,687
Adjustments for:		
Depreciation	32,557,203	20,513,882
Finance cost	3,920,103	8,466,084
Provision for gratuity	15,045,202	14,098,377
Provision for workers' profit participation fund	11,398,339	7,234,272
Provision for workers' welfare fund	3,893,675	2,297,488
Gain on disposal of property, plant and equipment	(1,024,588)	(3,903,125)
	65,789,934	48,706,977
Profit before working capital changes	278,464,691	183,860,664
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	9,373,395	(9,028,327)
Stock in trade	(78,422,363)	106,966,861
Trade debts	144,842,374	127,440,852
Loans and advances	9,869,341	(11,131,679)
Trade deposits and short term prepayments	(8,805,694)	32,509,524
Other receivables	9,796,612	780,914,404
	86,653,666	1,027,671,636
(Decrease) in current liabilities		
Trade and other payables	(145,319,157)	(40,952,482)
Cash generated from / (used in) from operations	219,799,200	1,170,579,817
Finance cost paid	(3,920,103)	(8,466,084)
Taxes (paid) / refund	(28,011,906)	(4,737,082)
Long term loan (paid) / refund	(706,294)	6,548,260
Staff retirement benefits - gratuity paid	(7,339,119)	(18,313,122)
Net cash generated / used in) from operating activities	179,821,779	1,145,611,791
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	3,405,000	25,646,000
Fixed capital expenditure	(77,312,383)	(207,607,036)
Net cash used in investing activities	(73,907,383)	(181,961,036)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	127,356,782	(554,305,917)
Loan from directors & others	(15,000,000)	5,000,000
Short term borrowings - net	(183,609,291)	(312,224,477)
Net cash (used in) / generated from financing activities	(71,252,509)	(861,530,394)
Net increase in cash and cash equivalents	34,661,886	102,120,360
Cash and cash equivalents at the beginning of the period	87,473,086	89,907,967
Cash and cash equivalents at the end of the period	122,134,972	192,028,327

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.


Chief Executive

Karachi:  8 APR 2016
Dated : _____


Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016****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 Accounting Standard "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 interim financial information 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 nine months ended March 31, 2016 which have been subjected to a review but not audited. This condensed interim financial information also include the condensed interim profit and loss account for the quarter ended March 31, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2015, except as mentioned in note 3.3.
- 3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.
- 3.3 The company has adopted IAS 19, (Revised) 'Employee Benefits'. The amendments in the revised standard require the company to eliminate the corridor approach and recognize all actuarial gains and losses (now called 'remeasurements', that result from the remeasurement of defined benefits obligations and fair value of plan assets at the balance sheet date) in other comprehensive income as they occur, immediately recognise all past service costs and replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefits liability / asset.

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

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.

Chief Executive

Director

Karachi, April 26, 2016

TOWELLERS LIMITED

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements for the year ended June 30, 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)	(Audited)
		31-Mar-16	30-Jun-15
		----- Rupees -----	
Operating assets	5.1	711,233,520	738,381,961
Capital work in progress-at cost	5.2	334,048,549	264,525,340
		<u>1,045,282,069</u>	<u>1,002,907,301</u>

5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	----- Rupees -----	
Net book value at the beginning of the period/year	738,381,961	431,002,020
Additions during the period/year		
Leasehold land	-	152,499,710
Building on leasehold land	-	50,595,718
Plant and machinery	2,837,575	149,231,407
Furniture and fixture	364,055	1,087,950
Office equipment	2,211,044	5,728,812
Vehicles	2,376,500	2,792,500
	<u>7,789,174</u>	<u>361,936,097</u>
Net book value of assets disposed during the period/year	(2,380,412)	(21,742,875)
Depreciation for the period/year	(32,557,203)	(32,813,280)
Net book value at the end of the period/year	<u>711,233,520</u>	<u>738,381,961</u>

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	31-Mar-16	30-Jun-15
		----- Rupees -----
Building on leasehold land	279,780,283	232,269,200
Machinery	54,268,267	32,256,140
	<u>334,048,549</u>	<u>264,525,340</u>

Chief Executive

Director

Karachi, April 26, 2016

TOWELLERS LIMITED

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

6 TRADE DEBTS

	Note	(Un-audited)	(Audited)
		31-Mar-16	30-Jun-15
		----- Rupees -----	
Secured - considered good			
Foreign debts		113,114,447	247,091,361
Unsecured - considered good			
Foreign debts		-	21,871,342
Domestic debts		2,871,874	69,085
		2,871,874	21,940,427
		<u>115,986,321</u>	<u>269,031,788</u>
Provision for doubtful debts	6.1	-	(8,203,093)
		<u><u>115,986,320.72</u></u>	<u><u>260,828,695</u></u>

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

Balance as at July 01,	8,203,093	18,215,209
	<u>8,203,093</u>	<u>18,215,209</u>
Bad debts written off during the period/year	-	(5,047,261)
Recovered during the period/year	(8,203,093)	(4,964,855)
Balance as at end of the period/year	<u>-</u>	<u>8,203,093</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)
	31-Mar-16	30-Jun-15
		-----Rupees -----
7.1 Contingencies		
Bank guarantees issued in the ordinary course of business	<u>3,090,000</u>	<u>2,280,000</u>
7.2 Commitments		
Building	15,000,000	15,000,000
Plant & machinery	5,000,000	4,000,000
	<u>20,000,000</u>	<u>19,000,000</u>

Chief Executive

Director

Karachi, April 26, 2016

8 TRANSACTIONS WITH RELATED PARTIES

		(Un-audited)	(Un-audited)
		31-Mar-16	31-Mar-15
		-----Rupees-----	
Transactions with related parties	Relationship		
Salaries and other employees benefits	Key management personnel	19,632,430	16,815,322

9 COMPARATIVE FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", balance sheet has been compared with the balances of annual financial statements while profit & loss accounts has been compared with corresponding figures of last nine months and quarter.

10 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information have been authorized for issue on Karachi, April 26, 2016 by the board of directors of the company.

11 GENERAL

Figures have been rounded off to the nearest rupees.

Chief Executive

Director

Karachi, April 26, 2016