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***Unaudited Account for the  
Quarter Ended  
September 30th, 2018***

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TOWELLERS LTD

# TOWELLERS LTD

## COMPANY INFORMATION BOARD OF DIRECTORS

Mrs.	Surraiya Junaid	Chairperson
Mrs.	Mehreen Obaid Agha	Chief Executive
Mrs.	Mahjabeen Obaid	Director
Mrs.	Sana Bilal	Director
Mrs.	Hadeel Obaid	Director
Mr.	Zeeshan K. Sattar	Director
Mr.	Abdul Jalil Shariff	Director
Mr.	Vally Tariq Rangoon wala	Independent Director

## BOARD AUDIT COMMITTEE

Mr.	Vally Tariq Rangoon wala	Chairman
Mrs.	Hadeel Obaid	Member
Mr.	Abdul Jalil Shariff	Member

## HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr.	Zeeshan K. Sattar	Chairman
Mrs.	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  
Muslim Commercial Bank Limited  
Faysal Bank Ltd  
Al Baraka Islamic Bank  
Summit Bank Ltd  
Silk Bank Ltd  
Dubai Islamic Bank Pakistan Ltd

## REGISTRAR & SHARE REGISTRATION OFFICE

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

## REGISTERED OFFICE

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

Web Site : [www.towellers.com](http://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 LTD

## 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 first quarter ended September 30, 2018.

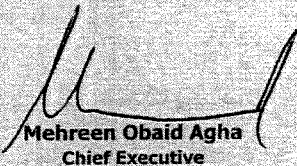
The profit before tax for the first quarter of the current financial year was Rs.60.16 million compared to Rs.129.38 million in the corresponding period of previous year. The gross profit as a percentage of sales was 16.95% as compared to 14.62% in the corresponding period.

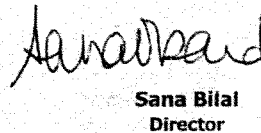
### FINANCIAL HIGHLIGHTS FIRST QUARTER ENDED SEPTEMBER 30 2018

	RUPEES IN THOUSAND	
	2018	2017
Sales	962,100	620,627
Gross profit	163,038	90,749
Other income	930	135,777
Profit before taxation	60,158	129,377
Taxation	(8,016)	(5,740)
Profit after taxation	52,142	123,637

### Acknowledgment

Yours directors record with appreciation the efforts of the company's manager, technicians and workers who have worked vigorously to meet the target. Yours directors also extend their appreciation to the company's bankers, share holders, buyers and suppliers for the co-operation extended by them.

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director


Karachi:  
Dated : 25th-OCTOBER 2018

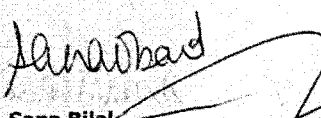
# TOWELLERS LTD

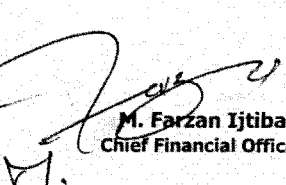
Condensed Interim Financial Position (Un-audited)  
As at September 30, 2018

	Note	UNAUDITED	AUDITED
		30-Sep-18	30-Jun-18
Rupees			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	1,243,288,963	1,259,134,892
Long term loans		13,845,943	10,642,864
Long term deposits		19,985,320	19,755,320
		<b>1,277,120,226</b>	<b>1,289,533,076</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		11,937,974	18,658,507
Stock in trade		364,314,813	373,961,416
Trade debts	6	436,537,479	252,894,905
Loans and advances		9,034,745	16,677,084
Trade deposits and short term prepayments		15,981,030	13,652,458
Other receivables		176,835,074	173,997,681
Income tax and sales tax refundable		98,958,401	91,886,889
Cash and bank balances		108,476,327	106,579,914
		<b>1,222,075,843</b>	<b>1,048,308,854</b>
<b>TOTAL ASSETS</b>		<b>2,499,196,069</b>	<b>2,337,841,930</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital		250,000,000	250,000,000
25,000,000 (June 30, 2018: 25,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid up capital		170,000,000	170,000,000
17,000,000 (June 30, 2018: 17,000,000) ordinary shares of Rs. 10 each			
Reserves		666,149,738	606,568,525
Surplus on revaluation of property, plant & equipment		841,992,437	849,432,076
		<b>1,678,142,175</b>	<b>1,626,000,603</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities		113,883,713	111,448,588
Staff retirement benefits - gratuity		113,883,713	111,448,588
<b>CURRENT LIABILITIES</b>			
Trade and other payables		706,336,841	598,934,400
Short Term borrowing from director		833,340	1,458,339
		<b>707,170,181</b>	<b>600,392,739</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,499,196,069</b>	<b>2,337,841,930</b>

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

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
M. Farzan Ijtiba  
Chief Financial Officer

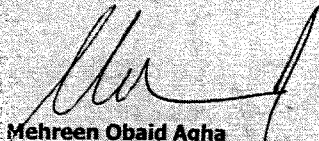
Karachi:  
Dated : 25th-OCTOBER 2018


# TOWELLERS LTD

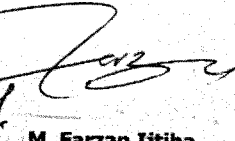
## Condensed Interim Statement of Profit and Loss Account (Un-audited) For the quarter ended September 30, 2018

	30-Sep-18	30-Sep-17
	Rupees	
Net Sales	962,100,485	620,627,339
Cost of sales	(799,062,629)	(529,878,247)
<b>Gross profit</b>	<b>163,037,856</b>	<b>90,749,092</b>
Distribution cost	(51,122,533)	(45,143,682)
Administrative expenses	(48,423,101)	(43,806,170)
Other operating expenses	(3,166,210)	(6,809,335)
	(102,711,844)	(95,759,187)
<b>Profit / (loss) from operations</b>	<b>60,326,012</b>	<b>(5,010,095)</b>
<b>Other charges / income</b>		
Other income	929,563	135,777,217
Finance cost	(1,097,588)	(1,389,764)
	(168,025)	134,387,453
<b>Profit before taxation</b>	<b>60,157,987</b>	<b>129,377,358</b>
Provision for taxation	(8,016,415)	(5,740,233)
<b>Profit for the period</b>	<b>52,141,572</b>	<b>123,637,125</b>
<b>Profit per share-basic and diluted</b>	<b>3.07</b>	<b>7.27</b>

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

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
M. Farzan Ijtiba  
Chief Financial Officer

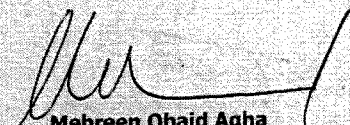
Karachi:  
Dated : 25th-OCTOBER 2018

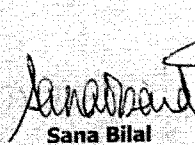
# TOWELLERS LTD

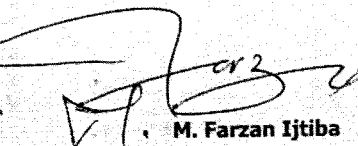
**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
**For the quarter ended September 30, 2018**

	Quarter ended	
	30-Sep-18	30-Sep-17
	Rupees	
Profit for the period	52,141,572	123,637,127
Other comprehensive income for the period		
<b>Total comprehensive Profit for the period</b>	<b>52,141,572</b>	<b>123,637,127</b>

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

  
**Mehreen Obaid Agha**  
Chief Executive

  
**Sana Bilal**  
Director

  
**M. Farzan Ijtiba**  
Chief Financial Officer

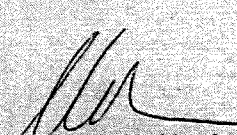
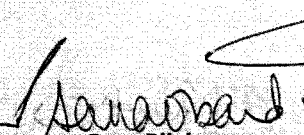

Karachi:  
Dated : 25th-OCTOBER 2018

# TOWELLERS LTD

Condensed Interim Statement of Changes in Equity (Un-audited)  
For the quarter ended September 30, 2018

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Capital Reserve	
		Share premium	Unappropriated profit	Revaluation Surplus	
Rupees					
Balance as at July 1, 2017 re-stated	170,000,000	63,000,000	258,128,435	597,265,397	1,088,393,832
Total comprehensive income for the period ended Sep 30, 2017	-	-	123,637,127	-	123,637,127
Transferred from surplus on revaluation of property, plant & equipment	-	-	5,951,834	(5,951,834)	-
Balance as at Sep 30, 2017	170,000,000	63,000,000	387,717,396	591,313,563	1,212,030,958
Balance as at July 1, 2018	170,000,000	63,000,000	543,568,525	849,432,078	1,626,000,603
Total comprehensive income for the period ended Sep 30, 2018	-	-	52,141,572	-	52,141,572
Transferred from surplus on revaluation of property, plant & equipment	-	-	7,439,641	(7,439,641)	-
Balance as at Sep 30, 2018	170,000,000	63,000,000	603,149,738	841,992,437	1,678,142,175

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

**Mehreen Obaid Agha**  
Chief Executive

**Sana Bilal**  
Director

**M. Farzan Ijtiba**  
Chief Financial Officer

Karachi:  
Dated : 25th-OCTOBER 2018

# TOWELLERS LTD

Condensed Interim Statement of Changes in Equity (Un-audited)  
For the quarter ended September 30, 2018

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Capital Reserve	
		Share premium	Unappropriated profit	Revaluation Surplus	
Rupees					
Balance as at July 1, 2017 re-stated	170,000,000	63,000,000	258,128,435	597,265,397	1,088,393,832
Total comprehensive Income for the period ended Sep 30, 2017	-	-	123,637,127	-	123,637,127
Transferred from surplus on revaluation of property, plant & equipment	-	-	5,951,834	(5,951,834)	-
Balance as at Sep 30, 2017	170,000,000	63,000,000	387,717,396	591,313,563	1,212,030,958
Balance as at July 1, 2018	170,000,000	63,000,000	543,568,525	849,432,078	1,626,000,603
Total comprehensive Income for the period ended Sep 30, 2018	-	-	52,141,572	-	52,141,572
Transferred from surplus on revaluation of property, plant & equipment	-	-	7,439,641	(7,439,641)	-
Balance as at Sep 30, 2018	170,000,000	63,000,000	603,149,738	841,992,437	1,678,142,175

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





**Mehreen Obaid Agha**  
Chief Executive

**Sana Bilal**  
Director

**M. Farzan Ijtiba**  
Chief Financial Officer

Karachi:  
Dated : 25th-OCTOBER 2018

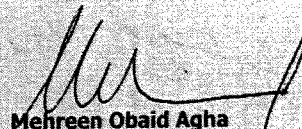


# TOWELLERS LTD

Condensed Interim Cash Flow Statement (Un-audited)  
For the quarter ended September 30, 2018

	Quarter ended	
	30-Sep-18	30-Sep-17
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	60,157,987	129,377,358
<b>Adjustments for:</b>		
Depreciation	20,424,115	17,334,816
Finance cost	1,097,588	1,389,764
Gain on disposal of property, plant and equipment	-	(5,433)
Workers' profit participation fund	3,166,210	6,809,335
Provision for gratuity	5,968,467	271,252
	30,656,380	25,799,734
Profit before working capital changes	90,814,367	155,177,092
<b>(Increase) / decrease in current assets</b>		
Stock, stores, spare parts and loose tools	16,367,136	(575,190)
Trade debts	(183,642,574)	(41,027,963)
Loans and advances	7,642,339	(1,598,069)
Trade deposits and short term prepayments	(2,558,572)	(8,245,604)
Other receivables	(2,837,393)	(679,265)
	(165,029,064)	(52,126,091)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	104,236,231	(13,135,156)
Cash generated from operations	30,021,534	89,915,845
Finance cost paid	(1,097,588)	(135,604,582)
Taxes refund / (paid)	(15,087,927)	20,963,087
Long term loan paid	(3,203,079)	(2,060,127)
Staff retirement benefits - gratuity net	(3,533,342)	(158,429)
Net cash generated from operating activities	7,099,598	(26,944,206)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	-	14,000
Fixed capital expenditure	(4,578,186)	(3,275,218)
Net cash used in investing activities	(4,578,186)	(3,261,218)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	-	(2,844,900)
Short term borrowings - net	(624,999)	(624,999)
Net cash used in financing activities	(624,999)	(3,469,899)
Net increase / (decrease) in cash and cash equivalents	1,896,413	(33,675,323)
Cash and cash equivalents at the beginning of the year	106,579,914	162,311,379
Cash and cash equivalents at the end of the period	108,476,327	128,636,056

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

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
M. Farzan Ijtiba  
Chief Financial Officer

Karachi:  
Dated : 25th-OCTOBER 2018

# TOWELLERS LTD

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

For the quarter ended September 30, 2018

### 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, 2018.

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 237(2) of the Companies Act, 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 quarter ended September 30, 2018.

### 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, 2018.

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, 2018.

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, 2018.

### 5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		30-Sep-18	30-Jun-18
		Rupees	
Operating assets	5.1	1,240,889,361	1,259,134,892
Capital work in progress at cost	5.2	2,399,602	-
		<u>1,243,288,963</u>	<u>1,259,134,892</u>

# TOWELLERS LTD

## 5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	30-Sep-18	30-Jun-18
	Rupees	
Net book value at the beginning of the period/year	1,259,134,892	967,198,215
<b>Additions / Surplus on revaluation during the period/year</b>		
Leasehold land	-	202,198,921
Building on leasehold land	-	66,903,338
Plant and machinery	1,247,904	67,676,096
Furniture and fixture	-	1,443,290
Office equipment	829,680	4,800,799
Vehicles	101,000	11,353,500
Waste water treatment plant	-	19,614,697
	2,178,584	373,990,641
Net book value of assets disposed during the period/year	-	(124,608)
Depreciation for the period/year	(20,424,115)	(81,929,356)
Net book value at the end of the period/year	1,240,889,361	1,259,134,892

## 5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-18	30-Jun-18
	Rupees	
Building	2,399,602	-
	2,399,602	-

## 6 TRADE DEBTS

	Note	(Un-audited)	(Audited)
		30-Sep-18	30-Jun-18
		Rupees	
<b>Secured - considered good</b>			
Foreign debts		435,128,393	220,283,574
<b>Unsecured - considered good</b>			
Domestic debts		1,409,086	-
		1,409,086	-
		436,537,479	220,283,574
		436,537,479	220,283,574

## 7 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies since the last audited financial statements.

# TOWELLERS LTD

	(Un-audited)	(Audited)
	30-Sep-18	30-Jun-18
	-----Rupees-----	
7.1 Contingencies		
Bank guarantees issued in the ordinary course of business	9,405,000	9,405,000

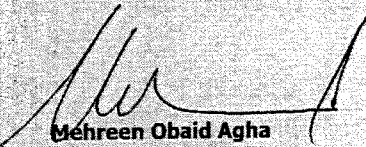
## 7.2 Commitments

## 8 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 25th October 2018 by the board of directors of the company.

## 9 GENERAL

Figures have been rounded off to the nearest rupees.

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
M. Farzan Ijtiba  
Chief Financial Officer

Karachi:  
Dated : 25th-OCTOBER 2018

# **BOOK POST**

UNDER POSTAL CERTIFICATE

If undelivered, please return to:

**TOWELLERS LIMITED**

W/S.A. 30, Block-1, Federal 'B' Area, Karachi.