



***Unaudited Account for the
Quarter Ended
September 30th, 2019***

TOWELLERS LTD

TOWELLERS LTD

COMPANY INFORMATION BOARD OF DIRECTORS

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

BOARD AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr.	Valy Tariq Rangoonwala	Chairman
Mr.	Zeeshan K. Sattar	Member
Mr.	Abdul Jalil Shariff	Member

CHIEF FINANCIAL OFFICER

Mr. Adnan Moosaji

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 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 LTD

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors are pleased to present their report together with the un-audited financial statements of the Company for the first quarter ended September 30, 2019.

The sales of the company during the first quarter has grown by 10.9% as compared to the same period last year. The gross profit has also increased to 17.16% as compared to 16.95% and the net profit after tax has increased by Rs. 18.2 M to Rs. 70.36 M as compared to Rs. 52.14 M. The net profit percentage has improved to 6.6% as compared to 5.42% during the corresponding period.

The financial highlights of the performance of the Company is as under:

FINANCIAL HIGHLIGHTS

FIRST QUARTER ENDED SEPTEMBER 30, 2019

	Rupees in Thousands	
	2019	2018
Sales	1,066,740	962,100
Gross Profit	183,069	163,038
Profit from operations	73,515	60,326
Taxation	9,529	8,016
Profit after taxation	70,361	52,142

Company has invested in solar equipment during the year, which is expected to bring savings in the utility cost of the company during the current fiscal year. However, along with the overall textile industry, the company is facing liquidity challenge due to the General Sales Tax (GST) refundable amounts being accumulated with FBR since July 2019. We are hoping that matter gets settled soon enough to continue the business operation unhampered.

However, despite all the odds, your Company is striving hard to achieve the targeted growth of 8 to 10% during the year, whilst maintaining its profitability for the mutual benefits of its stakeholders.

Acknowledgment

We thank all stakeholders for their endless support in achieving our growth targets. Also, we appreciate efforts of our sales, production and all the teams to achieve our set growth targets and their commitment towards the prosperity of our company.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

Karachi:
Dated : 28th-OCTOBER 2019

TOWELLERS LTD

Condensed Interim Financial Position (Un-audited)
As at September 30, 2019

	Note	UNAUDITED	AUDITED
		30-Sep-19	30-Jun-19
Rupees			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,673,610,287	1,220,828,937
Long term loans		13,747,951	12,851,217
Long term deposits		19,755,320	19,755,320
		1,707,113,558	1,253,435,474
CURRENT ASSETS			
Stores, spare parts and loose tools	6	18,311,956	20,721,948
Stock in trade		477,615,666	486,952,015
Trade debts		544,138,183	402,696,309
Loans and advances		16,145,297	16,273,727
Trade deposits and short term prepayments		24,513,423	16,279,720
Other receivables		164,005,157	142,658,930
Income tax and sales tax refundable		212,667,425	103,014,941
Cash and bank balances		282,668,902	287,273,316
			1,740,066,009
TOTAL ASSETS		3,447,179,567	2,729,306,380
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
25,000,000 (June 30, 2019: 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, 2019: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		1,137,498,344	1,053,744,900
Surplus on revaluation of property, plant & equipment		1,234,845,553	819,673,514
		2,542,343,897	2,043,418,414
NON CURRENT LIABILITIES			
Deferred liabilities			
Staff retirement benefits - gratuity		99,895,890	97,902,016
		99,895,890	97,902,016
CURRENT LIABILITIES			
Trade and other payables		804,939,780	587,985,950
		804,939,780	587,985,950
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES		3,447,179,567	2,729,306,380

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


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

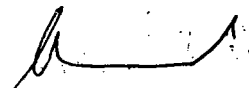
Karachi:
Dated : 28th-OCTOBER 2019

TOWELLERS LTD

Condensed Interim Statement of Profit and Loss Account (Un-audited)
For the quarter ended September 30, 2019

	30-Sep-19	30-Sep-18
	Rupees	
Net Sales	1,066,739,783	962,100,485
Cost of sales	(883,670,534)	(799,062,629)
Gross profit	183,069,249	163,037,856
Distribution cost	(45,173,603)	(51,122,533)
Administrative expenses	(60,175,806)	(48,423,101)
Other operating expenses	(4,204,715)	(3,166,210)
	(109,554,124)	(102,711,844)
Profit / (loss) from operations	73,515,125	60,326,012
Other charges / income		
Other income	7,407,657	929,563
Finance cost	(1,033,204)	(1,097,588)
	6,374,453	(168,025)
Profit before taxation	79,889,578	60,157,987
Provision for taxation	(9,528,573)	(8,016,415)
Profit for the period	70,361,005	52,141,572
Profit per share-basic and diluted	4.14	3.07

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


Mehreen Obaid Agha
 Chief Executive Officer


Sana Bilal
 Director


Adnan Moosaji
 Chief Financial Officer

Karachi:
 Dated : 28th-OCTOBER 2019

TOWELLERS LTD

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended September 30, 2019

Quarter ended	
30-Sep-19	30-Sep-18

Rupees

Profit for the period	70,361,005	52,141,572
Gain on Surplus on revaluation of property, plant & equipment	428,564,478	-
Total comprehensive Profit for the period	498,925,483	52,141,572

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


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosajj
Chief Financial Officer

Karachi:
Dated : 28th-OCTOBER 2019

TOWELLERS LTD

Condensed Interim Statement of Changes in Equity (Un-audited)
For the quarter ended September 30, 2019

Particulars	Share capital	Reserves			Total
		Capital Share premium	Revenue Unappropriated profit	Capital Reserve Revaluation Surplus	
			Rupees		
Balance as at July 1, 2018	170,000,000	63,000,000	543,568,525	849,432,078	1,626,000,603
Profit for the period			52,141,572	-	52,141,572
Other comprehensive income for the period	-	-	-	-	-
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
Balance as at July 1, 2019	170,000,000	63,000,000	990,744,900	819,673,514	2,043,418,414
Profit for the period			70,361,005	428,564,478	498,925,483
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of property, plant & equipment	-	-	13,392,439	(13,392,439)	-
Balance as at Sep 30, 2019	170,000,000	63,000,000	1,074,498,344	1,234,845,553	2,542,343,897

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


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

Karachi:
Dated : 28th-OCTOBER 2019

TOWELLERS LTD

Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended September 30, 2019

	Quarter ended	
	30-Sep-19	30-Sep-18
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	79,889,578	60,157,987
Adjustments for:		
Depreciation	22,305,386	20,424,115
Finance cost	1,033,204	1,097,588
Gain on disposal of property, plant and equipment	-	-
Workers' profit participation fund	4,204,715	3,166,210
Provision for gratuity	5,857,362	5,968,467
	33,400,667	30,656,380
Profit before working capital changes	113,290,245	90,814,367
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	11,746,341	16,367,136
Trade debts	(141,441,874)	(183,642,574)
Loans and advances	128,430	7,642,339
Trade deposits and short term prepayments	(8,233,703)	(2,558,572)
Other receivables	(21,346,227)	(2,837,393)
	(159,147,033)	(165,029,064)
(Decrease) / increase in current liabilities		
Trade and other payables	212,749,116	104,236,231
Cash generated from operations	166,892,328	30,021,534
Finance cost paid	(1,033,204)	(1,097,588)
Taxes refund / (paid)	(119,181,058)	(15,087,927)
Long term loan paid	(896,734)	(3,203,079)
Staff retirement benefits - gratuity net	(3,863,488)	(3,533,342)
Net cash generated from operating activities	41,917,844	7,099,598
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	-
Fixed capital expenditure	(46,522,258)	(4,578,186)
Net cash used in investing activities	(46,522,258)	(4,578,186)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	-	(624,999)
Net cash used in financing activities	-	(624,999)
Net increase / (decrease) in cash and cash equivalents	(4,604,414)	1,896,413
Cash and cash equivalents at the beginning of the year	287,273,316	106,579,914
Cash and cash equivalents at the end of the period	282,668,902	108,476,327

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

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

Adnan Moosaji
Chief Financial Officer

Karachi:
Dated : 28th-OCTOBER 2019

TOWELLERS LTD

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

For the quarter ended September 30, 2019

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, 2019.

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, 2019.

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, 2019.

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, 2019.

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, 2019.

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	30-Sep-19	30-Jun-19
		----- Rupees -----	
Operating assets	5.1	1,636,667,259	1,196,972,742
Capital work in progress-at cost	5.2	36,943,028	23,856,195
		<u>1,673,610,287</u>	<u>1,220,828,937</u>

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

Adnan Moosaji
Chief Financial Officer

Karachi:
Dated : 28th-OCTOBER 2019

TOWELLERS LTD

5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	30-Sep-19	30-Jun-19
	Rupees	
Net book value at the beginning of the period/year	1,196,972,742	1,259,134,891
Additions / Surplus on revaluation during the period/year		
Leasehold land	279,028,743	-
Building on leasehold land	117,187,684	-
Plant and machinery	62,746,997	7,534,253
Furniture and fixture	89,600	1,267,665
Office equipment	2,837,878	4,819,857
Vehicles	109,000	6,941,226
	461,999,902	20,563,001
Net book value of assets disposed during the period/year	-	(50,735)
Depreciation for the period/year	(22,305,386)	(82,674,415)
Net book value at the end of the period/year	1,636,667,259	1,196,972,742

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-19	30-Jun-19
	Rupees	
Building	-	8,315,909
Machinery	18,850,588	15,540,286
Solar Panel	17,147,440	-
Software	945,000	-
	36,943,028	23,856,195

6 TRADE DEBTS

	(Un-audited)	(Audited)
	30-Sep-19	30-Jun-19
Note	Rupees	
Secured - considered good		
Foreign debts	543,591,265	401,532,012
Unsecured - considered good		
Domestic debts	546,918	1,164,297
	546,918	1,164,297
	544,138,183	402,696,309
	544,138,183	402,696,309

7 CONTINGENCIES AND COMMITMENTS

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

	(Un-audited)	(Audited)
	30-Sep-19	30-Jun-19
	Rupees	

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

Adnan Moosaji
Chief Financial Officer

Karachi:
Dated : 28th-OCTOBER 2019

7.1 Contingencies

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

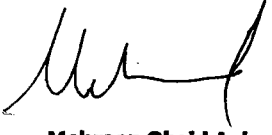
Solar Plant	17,147,440.00	-
Software	2,555,000.00	-
	<u>19,702,440.00</u>	<u>-</u>

8 DATE OF AUTHORIZATION FOR ISSUE

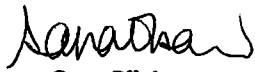
These condensed interim financial statements have been authorized for issue on 28th October 2019 by the board of directors of the company.

9 GENERAL

Figures have been rounded off to the nearest rupees.



Mehreen Obaid Agha
Chief Executive Officer



Sana Bilal
Director



Adnan Moosaji
Chief Financial Officer

Karachi:
Dated : 28th-OCTOBER 2019