

**Unaudited Account for the
Quarter Ended
September 30th, 2017**

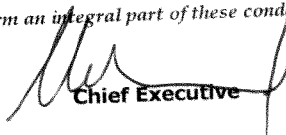
TOWELLERS LTD

TOWELLERS LTD

Condensed Interim Balance Sheet (Un-audited) As at September 30, 2017

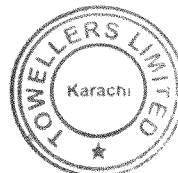
	Note	UNAUDITED 30-Sep-17 Rupees	AUDITED 30-Jun-17 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	975,081,956	989,150,121
Long term loans		14,101,526	12,041,399
Long term deposits		13,933,555	6,529,820
		1,003,117,037	1,007,721,340
CURRENT ASSETS			
Stores, spare parts and loose tools		12,984,351	9,833,368
Stock in trade		275,923,293	278,499,086
Trade debts	6	261,311,537	220,283,574
Loans and advances		12,711,779	11,113,710
Trade deposits and short term prepayments		13,549,462	12,707,593
Other receivables		132,296,548	131,617,283
Income tax and sales tax refundable		88,512,002	115,215,321
Cash and bank balances		128,636,056	162,311,379
Non-current assets held for sale		13,775,094	13,775,094
		939,700,122	955,356,408
		1,942,817,159	1,963,077,748
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		250,000,000	250,000,000
25,000,000 (June 30, 2017: 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, 2017: 17,000,000) ordinary shares of Rs. 10 each		450,717,395	321,128,435
Reserves		620,717,395	491,128,435
Surplus on revaluation of property, plant & equipment		591,313,563	597,265,397
NON CURRENT LIABILITIES			
Long term financing from banking companies - secured		100,000,575	100,000,575
Deferred liabilities		104,265,385	104,152,562
Staff retirement benefits - gratuity		204,265,960	204,153,137
CURRENT LIABILITIES			
Trade and other payables		513,784,002	520,109,823
Accrued mark up and interest		-	134,214,818
Short Term borrowing from director		3,333,336	3,958,335
Current portion of		9,402,903	12,247,803
Long term financings		526,520,241	670,530,779
CONTINGENCIES AND COMMITMENTS			
	7		
		1,942,817,159	1,963,077,748
TOTAL EQUITY AND LIABILITIES			

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


Chief Executive


Director

Karachi:
Dated : 27th-OCTOBER 2017



TOWELLERS LTD

Condensed Interim Profit and loss Account (Un-audited) For the quarter ended September 30, 2017

	Quarter ended	
	30-Sep-17 Rupees	30-Sep-16 Rupees
Net Sales	620,627,339	685,039,330
Cost of sales	(529,878,247)	(567,366,164)
Gross profit	<u>90,749,093</u>	<u>117,673,166</u>
Distribution cost	(45,143,682)	(27,375,227)
Administrative expenses	(43,806,170)	(41,252,592)
Other operating expenses	(6,809,335)	(2,912,577)
Other income	135,777,217	1,962,383
Profit from operations	<u>40,018,030</u>	<u>(69,578,013)</u>
Finance cost	(1,389,764)	(2,592,010)
Profit before taxation	<u>129,377,360</u>	<u>45,503,143</u>
Provision for taxation	(5,740,233)	(6,380,323)
Profit for the period	<u>123,637,127</u>	<u>39,122,820</u>
Profit per share-basic and diluted	<u>7.27</u>	<u>5.85</u>

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


Chief Executive


Director

Karachi:
Dated : 27th-OCTOBER 2017



TOWELLERS LTD

Condensed Interim Statement of Changes in Equity (Un-audited) For the quarter ended September 30, 2017

Particulars	Share capital	Capital Share premium	Reserves	Sub total	Total
			Revenue 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 quarter ended September 30, 2016	-	-	39,122,820	39,122,820	39,122,820
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	6,836,597	6,836,597	6,836,597
Balance as at September 30, 2016	170,000,000	63,000,000	173,497,850	236,497,850	406,497,851
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 quarter ended September 30, 2017	-	-	123,637,127	123,637,127	123,637,127
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	5,951,834	5,951,834	5,951,834
Balance as at September 30, 2017	170,000,000	63,000,000	387,717,395	450,717,395	620,717,395

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

Condensed Interim Statement of Comprehensive Income (Un-audited) For the quarter ended September 30, 2017

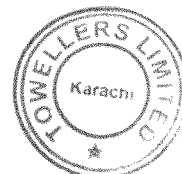
	Quarter ended	
	30-Sep-17 Rupees	30-Sep-16 Rupees
Profit for the period	123,637,127	39,122,820
Other comprehensive income for the period	-	-
Total comprehensive Profit for the period	123,637,127	39,122,820

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


Chief Executive


Director

Karachi:
Dated : 27th-OCTOBER 2017



TOWELLERS LTD

Condensed Interim Cash Flow Statement (Un-audited) For the quarter ended September 30, 2017

	Quarter ended	
	30-Sep-17 Rupees	30-Sep-16 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	129,377,360	45,503,143
Adjustments for:		
Depreciation	17,334,816	19,330,677
Finance cost	1,389,764	2,592,010
Gain on disposal of property, plant and equipment	(5,433)	(796,969)
Workers' profit participation fund	6,809,335	2,394,902
Workers' welfare fund	-	517,675
Provision for gratuity	271,252	5,673,645
	<u>25,799,734</u>	<u>29,711,939</u>
Profit before working capital changes	155,177,094	75,215,082
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	(575,190)	(44,956,465)
Trade debts	(41,027,963)	(51,939,777)
Loans and advances	(1,598,069)	4,656,834
Trade deposits and short term prepayments	(8,245,604)	2,924,784
Other receivables	(679,265)	53,258,428
	<u>(52,126,092)</u>	<u>(36,056,196)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(13,135,156)	56,400,307
Cash generated from operations	<u>89,915,846</u>	<u>95,559,193</u>
Finance cost paid	(135,604,582)	(2,592,010)
Taxes refund / (paid)	20,963,087	(22,049,280)
Long term loan paid	(2,060,127)	(1,621,414)
Staff retirement benefits - gratuity net	(158,429)	(2,048,955)
	<u>(26,944,205)</u>	<u>67,247,534</u>
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	14,000	860,000
Fixed capital expenditure	(3,275,218)	(27,437,739)
Net cash used in investing activities	<u>(3,261,218)</u>	<u>(26,577,739)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(2,844,900)	(10,709,234)
Short term borrowings - net	(624,999)	-
Net cash used in financing activities	<u>(3,469,899)</u>	<u>(10,709,234)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(33,675,323)</u>	<u>29,960,561</u>
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>128,636,056</u>	<u>110,664,005</u>

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


Chief Executive


Director

Karachi:
Dated : 27th-OCTOBER 2017



TOWELLERS LIMITED**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)****For the quarter ended September 30, 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 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, 2017.

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, 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.

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	30-Sep-17	30-Jun-17
		-----	-----
		Rupees	
Operating assets	5.1	952,181,603	967,198,215
Capital work in progress-at cost	5.2	22,900,353	21,951,906
		<u>975,081,956</u>	<u>989,150,121</u>

5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	30-Sep-17	30-Jun-17
	----- Rupees -----	
Net book value at the beginning of the period/year	967,198,215	1,024,074,803
Additions during the period/year		
Building on leasehold land	600,000	-
Plant and machinery	298,000	9,738,313
Furniture and fixture	623,581	1,050,210
Office equipment	561,190	5,678,750
Vehicles	244,000	5,278,818
	2,326,771	21,746,091
Net book value of assets disposed during the period/year	(8,567)	(2,107,788)
Depreciation for the period/year	(17,334,816)	(76,514,891)
Net book value at the end of the period/year	952,181,603	967,198,215

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-17	30-Jun-17
	----- Rupees -----	
Building	22,900,353	21,951,906
	22,900,353	21,951,906

6 TRADE DEBTS

	Note	(Un-audited)	(Audited)
		30-Sep-17	30-Jun-17
		----- Rupees -----	
Secured - considered good			
Foreign debts		261,198,790	220,283,574
Unsecured - considered good			
Foreign debts		112,747	-
Domestic debts		112,747	-
		261,311,537	220,283,574
		261,311,537	220,283,574

7 CONTINGENCIES AND COMMITMENTS

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

	(Un-audited)	(Audited)
	30-Sep-17	30-Jun-17
	-----Rupees -----	

7.1 Contingencies

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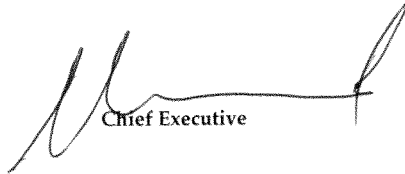
7.2 Commitments

8 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **27th October 2017** by the board of directors of the company.

9 GENERAL

Figures have been rounded off to the nearest rupees.


Chief Executive


Director

Karachi:

Date: 27th OCTOBER 2017

