



**Unaudited Account for the
Quarter Ended
September 30th, 2016**

TOWELLERS LTD

TOWELLERS LTD

Condensed Interim Balance Sheet (Un-audited) As at September 30, 2016

	Note	UNAUDITED	AUDITED
		30-Sep-16 Rupees	30-Jun-16 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	1,032,118,833	1,024,074,802
Long term loans		14,501,448	12,880,034
Long term deposits		7,434,820	7,429,820
		1,054,055,101	1,044,384,656
CURRENT ASSETS			
Stores, spare parts and loose tools		12,721,083	17,394,468
Stock in trade		344,475,043	294,845,193
Trade debts	6	271,900,180	219,960,403
Loans and advances		9,440,930	14,097,764
Trade deposits and short term prepayments		7,971,623	10,901,407
Other receivables		62,200,789	115,459,217
Income tax and sales tax refundable		126,732,654	111,063,696
Cash and bank balances		110,664,005	80,703,444
Non-current assets held for sale		13,775,094	13,775,094
		959,881,401	878,200,686
TOTAL ASSETS		2,013,936,502	1,922,585,342
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
25,000,000 (June 30, 2016: 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, 2016: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves			
		236,497,851	190,538,434
		406,497,851	360,538,434
Surplus on revaluation of property, plant & equipment		616,344,604	623,181,201
NON CURRENT LIABILITIES			
Long term financing from banking companies - secured		110,689,061	110,641,795
Loan from directors & others		3,298,127	3,750,002
Deferred liabilities			
Staff retirement benefits - gratuity		142,913,084	139,288,394
		256,900,272	253,680,191
CURRENT LIABILITIES			
Trade and other payables		559,615,060	500,302,176
Accrued mark up and interest		134,214,818	134,214,818
Current portion of			
Long term financings		38,488,900	49,245,400
Loan from directors and others		1,874,997	1,423,122
		734,193,775	685,185,516
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES		2,013,936,502	1,922,585,342

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

Chief Executive

Director

Karachi:
Dated : 28-OCTOBER 2016

TOWELLERS LTD

Condensed Interim Profit and loss Account (Un-audited) For the quarter ended September 30, 2016

	Quarter ended	
	30-Sep-16 Rupees	30-Sep-15 Rupees
Net Sales	685,039,330	795,547,214
Cost of sales	(567,366,164)	(600,763,462)
Gross profit	117,673,166	194,783,752
Distribution cost	(22,932,689)	(38,654,889)
Administrative expenses	(45,695,130)	(49,516,049)
Other operating expenses	(2,912,577)	(7,830,466)
Other income	1,962,383	9,788,974
	(69,578,013)	(86,212,430)
Profit from operations	48,095,153	108,571,322
Finance cost	(2,592,010)	(400,564)
Profit before taxation	45,503,143	108,170,758
Provision for taxation	(6,380,323)	(8,680,916)
Profit for the period	39,122,820	99,489,842
Profit per share-basic and diluted	2.30	5.85

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

Chief Executive

Director

Karachi:
Dated : 28-OCTOBER 2016

TOWELLERS LTD

Condensed Interim Statement of Comprehensive Income (Un-audited) For the quarter ended September 30, 2016

	Quarter ended	
	30-Sep-16 Rupees	30-Sep-15 Rupees
Profit for the period	39,122,820	99,489,842
Other comprehensive income for the period	-	-
Total comprehensive Profit for the period	39,122,820	99,489,842

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

Chief Executive

Director

Karachi:
Dated : 28-OCTOBER 2016

TOWELLERS LTD

Condensed Interim Statement of Charges in Equity (Un-audited) For the quarter ended September 30, 2016

Particulars	Share capital	Reserves			Sub total	Total
		Capital	Revenue			
		Share premium	Unappropriated profit/(loss)			
Rupees						
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 quarter ended September 30, 2015	-	-	99,489,842		99,489,842	99,489,842
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	7,331,869		7,331,869	7,331,869
Balance as at September 30, 2015	170,000,000	63,000,000	95,408,184		158,408,184	328,408,184
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	173,497,851		236,497,851	406,497,851

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

Chief Executive

Director

Karachi:
Dated : 28-OCTOBER 2016

TOWELLERS LTD

Condensed Interim Cash Flow Statement (Un-audited) For the quarter ended September 30, 2016

	Quarter ended	
	30-Sep-16 Rupees	30-Sep-15 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	45,503,143	108,170,758
Adjustments for:		
Depreciation	19,330,677	12,094,055
Finance cost	2,592,010	400,564
Gain on disposal of property, plant and equipment	(796,969)	(184,644)
Workers' profit participation fund	2,394,902	5,800,061
Workers' welfare fund	517,675	2,030,405
Provision for gratuity	5,673,645	5,015,066
	<u>29,711,939</u>	<u>25,155,507</u>
Profit before working capital changes	75,215,082	133,326,265
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	(44,956,465)	72,425,038
Trade debts	(51,939,777)	41,794,847
Loans and advances	4,656,834	(10,678,892)
Trade deposits and short term prepayments	2,924,784	(6,042,341)
Other receivables	53,258,428	6,915,721
	<u>(36,056,196)</u>	<u>104,414,373</u>
(Decrease) / increase in current liabilities		
Trade and other payables	56,400,307	(105,051,293)
Cash generated from operations	<u>95,559,193</u>	<u>132,689,344</u>
Finance cost paid	(2,592,010)	(400,563)
Taxes refund / (paid)	(22,049,280)	4,894,260
Long term loan paid	(1,621,414)	(1,038,003)
Staff retirement benefits - gratuity net	(2,048,955)	(3,082,233)
Net cash generated from operating activities	<u>67,247,534</u>	<u>133,062,805</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	860,000	675,000
Fixed capital expenditure	(27,437,739)	(10,275,564)
Net cash used in investing activities	<u>(26,577,739)</u>	<u>(9,600,564)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(10,709,234)	(4,087,683)
Short term borrowings - net	-	(6,378,151)
Net cash used in financing activities	<u>(10,709,234)</u>	<u>(10,465,834)</u>
Net increase / (decrease) in cash and cash equivalents	29,960,561	112,996,406
Cash and cash equivalents at the beginning of the year	80,703,444	87,473,086
Cash and cash equivalents at the end of the period	<u>110,664,005</u>	<u>200,469,492</u>

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

Chief Executive

Director

Karachi:
Dated : 28-OCTOBER 2016

TOWELLERS LTD

Selected Notes to the condensed interim Financial Statements (Un-Audited) For the quarter ended September 30, 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 - I, 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, 2016.

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 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, 2016.

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.

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

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, 2016.

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, 2016.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		30-Sep-16	30-Jun-16
		Rupees	
Operating assets	5.1	1,020,180,858	1,024,074,802
Capital work in progress-at cost	5.2	11,937,975	-
		<u>1,032,118,833</u>	<u>1,024,074,802</u>

Chief Executive

Director

Karachi:
Dated : 28-OCTOBER 2016

5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	30-Sep-16	30-Jun-16
	Rupees	
Net book value at the beginning of the period/year	1,024,074,802	738,381,960
Additions during the period/year		
Building on leasehold land	-	270,313,861
Plant and machinery	6,322,100	61,056,470
Furniture and fixture	338,160	421,755
Office equipment	2,141,203	17,979,271
Vehicles	6,698,000	2,438,500
	15,499,763	352,209,857
Net book value of assets disposed during the period/year	(63,030)	(16,155,506)
Depreciation for the period/year	(19,330,677)	(30,361,509)
Net book value at the end of the period/year	1,020,180,858	1,024,074,802

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-16	30-Jun-16
	Rupees	
Building	11,937,975	-
	11,937,975	-

6 TRADE DEBTS

	Note	(Un-audited)	(Audited)
		30-Sep-16	30-Jun-16
		Rupees	
Secured - considered good			
Foreign debts		242,646,270	203,503,370
Unsecured - considered good			
Foreign debts		29,147,333	15,138,844
Domestic debts		106,577	1,318,189
		29,253,910	16,457,033
		271,900,180	219,960,403
Provision for doubtful debts	6.1	-	-
		271,900,180	219,960,403

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

Balance as at July 01,	-	8,203,093
Add: Provision during the period/year	-	-
	-	8,203,093
Bad debts recovered during the year	-	(8,203,093)
Balance as at end of the period/year	-	-

7 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies since the last audited financial statements except as disclosed in note 7.2.

	(Un-audited)	(Audited)
	30-Sep-16	30-Jun-16
	Rupees	
7.1 Contingencies		
Bank guarantees issued in the ordinary course of business	3,090,000	3,090,000
7.2 Commitments		
Building	-	10,000,000
	-	10,000,000

8 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 28th October 2016 by the board of directors of the company.

9 GENERAL

Figures have been rounded off to the nearest rupees.

Chief Executive

Director

Karachi:
Dated : 28-OCTOBER 2016

