

TOWELLERS LIMITED

UNAUDITED ACCOUNTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2019



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

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.	Zeeshan K. Sattar	Chairman
Mrs.	Mehreen Obaid Agha	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 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

C.R. # 0004042

National Tax

NTN 0676889-0,

& Sales Tax No.

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 LIMITED

DIRECTOR'S REVIEW REPORT

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' period ended March 31, 2019..

FINANCIAL HIGHLIGHTS

NINE MONTHS ENDED MARCH 31 2019

OPERATING RESULTS	RUPEES IN THOUSAND	
	July-Mar	July-Mar
	2019	2018
Sales	2,811,049	1,819,110
Gross profit	511,489	218,475
Profit / (loss) from operations	207,607	(44,644)
Other income / charges	(140)	229,726
Profit before taxation	207,467	185,082
Taxation	(37,941)	(19,626)
Profit after taxation	169,526	165,457

Sales were recorded for the nine months period at Rs.2,811 million into a 54.53% increase as compare to the same period of last year. The profit before tax for the nine months of the current financial period was Rs.169 million as compare to Rs.165 million in the corresponding period of last year. The gross profit as a percentage of sales was 18.20% as compare to 12.01% in the corresponding period. The earning per share for the nine months ended Mar 31, 2019 was Rs.9.97 as compare to Rs.9.73 for previous period.

Acknowledgment

The management would like to place on record its appreciation for the support of Board of Directors, share holders, customers, financial institutions, suppliers and dedication and hard work of the staff and workers.

ON BEHALF OF THE BOARD

Mehreen Obaid Agha
Chief Executive Officer

Karachi

Date. April 25, 2019

ڈائریکٹرز کا جائزہ

کمپنی کے ڈائریکٹرز نے مارچ 31 2019 کے آخر میں 9 ماہ کے عرصے کے لئے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے اور اپنی جائزہ رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

مالیاتی صورتحال

Nine month ended March 31, 2019

رقم ہزاروں میں		آپریٹنگ نتائج
جولائی سے مارچ 2018	جولائی سے مارچ 2019	
1,819,110	2,811,049	کل فروختگی
218,475	511,489	مجموعی منافع
(44,644)	207,607	منافع/ نقصان برائے آپریشن
229,726	(140)	دیگر ذرائع آمدن/ چارجز
185,082	207,467	منافع قبل از ٹیکس
(19,626)	(37,941)	ٹیکسس
165,457	169,526	بعد از ٹیکس منافع

31 مارچ 2019 کو ختم ہونے والی مدت کے دوران کل فروخت 2,811 ملین کے مقابلے میں 54.53 فیصد اضافہ ریکارڈ کیا گیا ہے جیسا کہ پچھلے سال کی اس ہی مدت کے لئے ٹیکس سے منافع Rs.169 ملین روپے ہے جیسا کہ پچھلے سال کی اس ہی مدت میں Rs.165 ملین روپے کا موازنہ کیا گیا تھا فروخت کے فیصد کے طور پر مجموعی منافع 18.20 فیصد تھا جیسا کہ اس ہی مدت میں 12.01 فیصد ہے 31 مارچ 2019 کو ختم ہونے والی مدت کے لئے آمدنی فی حصص کا حصہ 9.97 روپے ہے جیسا کہ گزشتہ مدت کے لئے آمدنی فی حصص 9.73 روپے کا موازنہ تھا۔

اظہار تشکر:

اس بات کا یقین ہے کہ انتظامیہ بورڈ آف ڈائریکٹرز سنیر ہولڈرز گاہکوں، مالیاتی ادارے، سپلائرز اور عملے اور کارکنوں کی محنت اور سخت محنت کی حمایت اور انکی پذیرائی کرتے ہیں۔

منجانب بورڈ
مہرین عبید آغا
چیف ایگزیکٹو آفیسر



کراچی:
تاریخ: 25 اپریل 2019

TOWELLERS LIMITED

Condensed Interim Statement of Financial Position As at March 31, 2019

	Notes	UNAUDITED	AUDITED
		31-Mar-19	30-Jun-18
Rupees			
Property, plant and equipment	5	1,215,267,415	1,259,134,892
Long term loans		10,900,927	10,642,864
Long term deposits		19,755,320	19,755,320
		1,245,923,662	1,289,533,076
Stores, spare parts and loose tools		21,503,638	18,658,507
Stock in trade		418,929,450	373,961,416
Trade debts	6	398,282,857	252,894,905
Loans and advances		13,370,408	16,677,084
Trade deposits and short term prepayments		23,973,313	13,652,458
Other receivables		149,368,288	173,997,681
Income tax and sales tax refundable		96,730,433	91,886,889
Cash and bank balances		187,594,372	106,579,914
		1,309,752,759	1,048,308,854
TOTAL ASSETS		2,555,676,421	2,337,841,930
Authorized capital			
25,000,000 (June 30, 2018: 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, 2018: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		798,413,731	606,568,525
Surplus on revaluation of property, plant & equipment		827,113,155	849,432,078
		1,795,526,886	1,626,000,603
Deferred liabilities			
Staff retirement benefits - gratuity		117,288,142	111,448,588
		117,288,142	111,448,588
Trade and other payables		642,861,393	598,934,400
Short Term borrowing from director		-	1,458,339
		642,861,393	600,392,739
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY & LIABILITIES		2,555,676,421	2,337,841,930

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

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

M. Farzan Ijtiba
Chief Financial Officer

Karachi

Date: April 25 2019

TOWELLERS LIMITED

Condensed Interim Statement of Profit or Loss (Un-audited)

For the nine months ended March 31, 2019

	Nine Months Ended		Quarter Ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Rupees			
Net Sales	2,811,049,096	1,819,109,909	825,068,477	428,560,569
Cost of sales	(2,299,559,620)	(1,600,634,689)	(737,869,899)	(405,221,765)
Gross profit	511,489,476	218,475,220	87,198,578	23,338,804
Distribution cost	(144,626,984)	(112,658,258)	(37,285,655)	(32,390,717)
Administrative expenses	(148,336,659)	(140,719,952)	(51,560,386)	(50,613,584)
Other operating expenses	(10,919,314)	(9,741,173)	60,530	3,237,459
	(303,882,957)	(263,119,383)	(88,785,511)	(79,766,842)
Profit / (loss) from operations	207,606,519	(44,644,163)	(1,586,933)	(56,428,038)
Other income / charges				
Other income	5,206,793	238,132,772	2,425,556	1,125,815
Finance cost	(5,346,339)	(8,406,315)	(1,988,674)	(6,209,500)
	(139,546)	229,726,457	436,882	(5,083,685)
Profit before taxation	207,466,973	185,082,294	(1,150,051)	(61,511,723)
Provision for taxation	(37,940,690)	(19,625,537)	(14,494,640)	(7,118,959)
Profit for the period	169,526,283	165,456,757	(15,644,692)	(68,630,682)
Profit per share-basic and diluted	9.97	9.73	(0.92)	(4.04)

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


Mehreen Obaid Agha
 Chief Executive Officer


Sana Bilal
 Director


M. Farzan Ijtiba
 Chief Financial Officer

Karachi
 Date: April 25 2019

TOWELLERS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months ended March 31, 2019

	Half Year Ended		Quarter Ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Rupees			
Profit for the period	169,526,283	165,456,757	(15,644,692)	(68,630,682)
Other comprehensive income for the period	-	-	-	-
Total comprehensive Profit for the period	169,526,283	165,456,757	(15,644,692)	(68,630,682)

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


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


M. Farzan Ijtiba
Chief Financial Officer


Karachi
Date: April 25 2019

TOWELLERS LIMITED


Condensed Interim Statement of Changes in Equity (Un-audited) For the nine months ended March 31, 2019

Particulars	Share capital	Capital Share premium	Reserves		Total
			Revenue Unappropriated profit	Capital Reserve Revaluation Surplus	
Rupees					
Balance as at July 1, 2017	170,000,000	63,000,000	258,128,435	597,265,397	1,088,393,832
Total comprehensive Income for the period ended March 31, 2018	-	-	165,456,757	-	165,456,757
Transferred from surplus on revaluation of property, plant & equipment	-	-	24,449,296	(24,449,296)	-
Balance as at March 31, 2018	170,000,000	63,000,000	448,034,488	572,816,101	1,253,850,589
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 March 31, 2019	-	-	169,526,283	-	169,526,283
Transferred from surplus on revaluation of property, plant & equipment	-	-	22,318,923	(22,318,923)	-
Balance as at March 31, 2019	170,000,000	63,000,000	735,413,731	827,113,155	1,795,526,886

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


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


M. Farzan Ijtiba
Chief Financial Officer

Karachi
Date: April 25 2019

TOWELLERS LIMITED

Condensed Interim Statement of Cash Flow (Un-audited) For the nine months ended March 31, 2019

	Nine Months Ended	
	31-Mar-19	31-Mar-18
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	207,466,973	185,082,294
Adjustments for:		
Depreciation	61,728,828	58,031,921
Finance cost	5,346,339	8,406,315
(Gain) / loss on disposal of property, plant and equipment	(217,306)	(625,801)
Workers' profit participation fund	10,919,314	9,741,173
Provision for gratuity	17,905,401	17,905,680
	95,682,576	93,459,288
Profit before working capital changes	303,149,549	278,541,582
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	(47,813,165)	7,028,878
Trade debts	(145,387,952)	76,054,205
Loans and advances	3,306,676	4,456,485
Trade deposits and short term prepayments	(10,320,855)	(23,394,798)
Other receivables	24,629,393	16,572,922
	(175,585,903)	80,717,691
(Decrease) / increase in current liabilities		
Trade and other payables	47,723,783	(78,076,644)
Cash generated from operations	175,287,429	281,182,629
Finance cost paid	(5,346,339)	(142,621,134)
Taxes refund / (paid)	(42,784,231)	2,157,803
Long term loan paid	(258,063)	(1,836,574)
Workers' profit participation fund paid	(14,716,104)	(4,616,989)
Staff retirement benefits - gratuity net	(12,065,847)	(13,693,329)
Net cash generated from operating activities	100,116,845	120,572,405
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	265,000	734,000
Fixed capital expenditure	(17,909,048)	(42,690,920)
Net cash used in investing activities	(17,644,048)	(41,956,920)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	-	(109,605,618)
Short term borrowings - net	(1,458,339)	(1,874,997)
Net cash used in financing activities	(1,458,339)	(111,480,615)
Net increase / (decrease) in cash and cash equivalents	81,014,458	(32,865,130)
Cash and cash equivalents at the beginning of the period	106,579,914	162,311,379
Cash and cash equivalents at the end of the period	187,594,372	129,446,249

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

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

M. Farzan Ijtiba
Chief Financial Officer

Karachi

Date: April 25 2019

TOWELLERS LIMITED

Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months ended March 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a Private Limited Company on 31st May 1973 and subsequently converted into Public Limited Company on 22nd June 1994 under the Companies Act, 1913 (Now Companies Act, 2017) and is quoted on Pakistan Stock Exchange. The main business of Company is manufacturing and export of textile made ups, garments and towels.

Head office of the Company is located at WSA - 30 & 31, Block - 1, Federal "B" Area Karachi.

Manufacturing facilities of the Company are located at:

>WSA - 30 Block - 1, Federal "B" Area Karachi.

>Plot No.14,15/1,15/2,15/A,16/2,/17/1,17/2,17/3, Sector 12-D North Karachi Industrial Area Karachi.

>Plot No.9 & 10 Sector 12-C North Karachi Industrial Area Karachi.

2 BASIS OF PREPARATION

This condensed interim financial information of the company has been and has been prepared in accordance with the requirements of the International Accounting Standard (IAS 34) 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the repealed Companies Act, 2017 shall prevail. This condensed interim financial information does not include all the information required for full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2018.

This condensed interim financial information has been prepared under 'historical cost convention' except as otherwise stated in relevant notes.

This condensed interim financial information is presented in Pakistan Rupees which is the Company's functional and presentation currency and figures presented in this condensed interim financial information has been rounded off to the nearest rupee unless otherwise stated.

This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the company in accordance with the requirements of clause (26) of Listed Companies (Code of Corporate Governance) Regulation, 2017.

This condensed interim financial information is being submitted to the shareholders as required section 237 of the Companies Act, 2017.

The comparative statement of financial position presented has been extracted from the annual financial statements of the Company for the year ended June 30, 2018, whereas condensed interim statement of profit or loss, condensed interim statement of cash flow and condensed interim statement of changes in equity are stated from unaudited condensed interim financial information for the half year ended March 31, 2018.

3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

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 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2018.

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	31-Mar-19	30-Jun-18
		----- Rupees -----	
Operating assets	5.1	1,210,806,273	1,259,134,892
Capital work in progress-at cost	5.2	4,461,142	-
		<u>1,215,267,415</u>	<u>1,259,134,892</u>

TOWELLERS LIMITED

5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	31-Mar-19	30-Jun-18
	----- Rupees -----	
Net book value at the beginning of the period	1,259,134,892	967,198,215
Additions during the period		
Leasehold land	-	202,198,921
Building on leasehold land	-	66,903,338
Plant and machinery	6,946,200	67,676,096
Furniture and fixture	1,149,162	1,443,290
Office equipment	2,072,059	4,800,799
Vehicles	3,280,482	11,353,500
Waste water treatment plant	-	19,614,697
	13,447,903	373,990,641
Net book value of assets disposed during the period	(47,694)	(124,608)
Depreciation for the period	(61,728,828)	(81,929,356)
Net book value at the end of the period	1,210,806,273	1,259,134,892

5.2 CAPITAL WORK IN PROGRESS

Building	3,213,102	-
Machinery	983,845	-
	4,196,947	-

6 TRADE DEBTS

Secured - considered good

Foreign debts	392,852,033	220,283,574
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Unsecured - considered good

Domestic debts	5,430,824	-
	5,430,824	-
	398,282,857	220,283,574

7 CONTINGENCIES AND COMMITMENTS

Contingencies

7.1 Bank guarantees issued in the ordinary course of business	9,405,000	9,405,000
7.2 Post dated cheques issued in favour of Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at March 31, 2019 the value of these cheques amounted to Rs.57,889,707 (June 30, 2018: Rs.32,734,090).		
Commitments		
7.3 Material	-	3,284,551
	-	3,284,551

8 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises associated companies, directors and key management personnel. Amounts due to related parties are shown in the relevant notes to the financial statements. Transactions with related parties are disclosed below:

Nature of transaction	Relationship	Rupees
Salaries and other benefits	C.E.O & Directors	25,444,931
Loan repay to C.E.O	C.E.O & Directors	1,458,339

9 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the board of directors of the company on April 25, 2019

10 GENERAL

Figures have been rounded off to the nearest rupees

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

M.Farzan Ijtiba
Chief Financial Officer

Karachi

Date: April 25 2019