

TOWELLERS LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2017



TOWELLERS LIMITED



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.

Contents

	Page
Company Information	2
Notice of Meeting	3-4
Director's Report	5-6
Mechanism For Evaluation of The Board	7-8
Statement of Compliance with Code of Corporate Governance	9-11
Six Years Comparative Key Operating & Financial Results	12
Review Report to the members	13
Auditors' Report to the members	14
Balance Sheet	15
Profit and Loss Account	16
Statement of Comprehensive Income	17
Statement of Changes in Equity	18
Cash Flow Statement	19
Notes to the Accounts	20-47
Pattern of Share Holdings	48
Categories of Shareholding	49
Circulation of Annual Audited Accounts	50
Director Report (Urdu)	51-53
Notes of Meeting (Urdu)	54
Proxy Form (English / Urdu)	55-56

TOWELLERS LIMITED

COMPANY INFORMATION BOARD OF DIRECTORS

Ms.	Surraiya Junaid	Chairperson
Ms.	Mehreen Obaid Agha	Managing Director
Ms.	Mahjabeen Obaid	Director
Ms.	Sana Bilal	Director
Ms.	Hadeel Obaid	Director
Mr.	Zeeshan K. Sattar	Director
Mr.	Abdul Jalil Shariff	Director
Mr.	Valy Tariq Rangoonwala	Independent Director

BOARD AUDIT COMMITTEE

Ms.	Valy Tariq Rangoonwala	Chairman
Ms.	Hadeel Obaid	Member
Mr.	Abdul Jalil Shariff	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr.	Zeeshan K. Sattar	Chairman
Ms.	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
MCB Bank Limited
United Bank Limited
Faysal Bank Ltd
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 LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 44th Annual General Meeting of M/s Towellers Limited will be held at the Registered Office of the Company at W.S.A. 30-31, Block-1 Federal "B" Area, Karachi on October 26th 2017 Thursday at 03:30 p.m to transact the following business:

1. To confirm the minutes of the 43rd Annual General Meeting held on Wednesday October 26th 2016
2. To receive, consider and adopt the accounts of the Company for the year ended June 30, 2017, the report of the Auditors thereon and the report of the Directors.
3. To appoint Auditors for the year 2017-2018 and fix their remuneration.
4. Any other business with the permission of the Chair.

By Order of the Board

Karachi, September 26th 2017

M. Farhan Adil
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed From October 19th 2017 to October 26th , 2017 (Both days inclusive).
2. A member entitled to attend, speak and vote at the Meeting may appoint another member as his/her proxy to attend speak and vote instead of him/her. Forms of proxy in order to be valid must be properly filled in/executed and received at the registered office of the company situated at W.S.A. 30,31 Block # 1, F.B. Area, Karachi not later than 48 hours before the time of the meeting.
3. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must to be valid be deposited at the registered Office of the Company not less than 48 hours before the time of the Meeting
4. Members are requested to submit a copy of their Computerized National Identity Card/Smart national Identity card (CNIC/SNIC), if not already provided and notify immediately changes if any, in their registered address to our share registrar, M/s THK Associates (Pvt) Ltd.
5. CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).
6. Form of Proxy is enclosed.

TOWELLERS LIMITED

Circulation of annual audited accounts via Email/CD/USB/DVD or Any other Media.

Pursuant to the directions given by the Securities and Exchange commission of Pakistan through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the companies to circulate its annual audited Accounts (i.e. Annual Balance sheet and profit and loss Accounts, Statements of Comprehensive Income, Cash Flow Statement ,Notes to the Financial statements, Auditor's and Director's Report) to its members through email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the attached standard request form (also available on the company's website and send us to the Company address.

Video Conference Facility

If the company receives a request from members holding an aggregate ten percent (10%) or more shareholding residing at another city, such members may request a video conferencing facility for the purposes of participating in the meeting at such a location by sending a request to the Company at least 10 (ten) days prior to the date of meeting, subject to the availability of a video conferencing facility in that city to avail such facility.

The Company will intimate members regarding venue of video conference facility at least 7 days before the date of Meeting.

E- Voting

Pursuant to SECP's companies E-Voting) Regulations, 2016, Members can also exercise their right to vote through e- voting by giving their consent in writing atleast 10 days before the date of the meeting to the Company on the appointment of Execution Officer by the Intermediary as Proxy and the Company will arrange for e- voting.

TOWELLERS LIMITED

DIRECTORS REPORT TO THE MEMBERS

Dear Members

Asalom-o- Alaikum

On behalf of the Board of Directors, I feel great pleasure to place before you the audited Financial Statements of your company for the year ended June 30 th,2017.

Overview

The year under review has not been the best of the years for Pakistan Exports, in which total exports of the country have declined by 1.6 % for the financial year 2017, profitability in the textile sector against the scenery of decline in growth and export in the overall industry, with the decline in Pakistan exports including the textile sector Government has announced the most awaited relief package of which textile sector will get the largest share and these incentives will help create the demand for market and support the economy. The company appreciates such incentive scheme broughtup by the government and anticipates same supportive measures for upcoming year which will also support inachieving over all growth targets.

A comparison of the key financial results of the company for the year ended June 30, 2017 is as under.

	June 30, 2017	June 30, 2016
		Rupees (000)
Sales (net)	2,686,140	2,700,457
Gross profit	366,895	458,990
Distribution expenses	117,874	131,378
Administration expenses	159,944	154,846
Other operating expenses	8,010	12,330
Other Income	13,054	15,266
Finance Cost	6,398	6,957
Profit before taxation	87,723	168,744
Profit after taxation	61,695	144,833
Earning per share	3.63	8.52

Capital Expenditure

Upgrading and balancing is a continuous process in the industry in order to keep the plant and machinery up to date so as to meet the requirements of regulatory authorities.

Good Corporate Governance

The Directors of your Company are pleased to state that the Company is in compliance with the provisions of the Code of Corporate Governance as required by the Securities and Exchange Commission of Pakistan (SECP) and made part of the Regulations of the PSX Rule book.

TOWELLERS LIMITED

As a part of the Compliance of the Code, we confirm the following:

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment. The system of internal controls is sound in design and is being effectively implemented and reviewed by internal audit function;
- IFRSs, as applicable in Pakistan, have been followed in preparation of financial statements and any departure thereof has been adequately disclosed;
- There is no significant doubt about the Company's ability to continue as going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the Regulations of PSX Rule book;
- We have an Audit Committee, the members of which are from the Board of Directors and the Chairman is an independent director;
- Key operating & financial data of last six years is annexed to this report;
- The Board has adopted a Mission/Vission Statement;

Pattern of Shareholding

Pattern of shareholding of the Company in accordance with the Section 227 (2) (f) of the Companies Act, 2017 and Code of Corporate Governance as at June 30, 2017 is included in this report.

Director's Training

The Directors of the Company are adequately trained to perform their duties, and are aware of their powers and responsibilities under the Companies Ordinance, 1984 and in the regulations of PSX Rule book.

Trading

No trading in the shares of the Company was carried out by the Directors, CEO, CFO and Company Secretary, their spouses and minor children.

Dividend

The Directors have not recommended any dividend to this year due to payment of Banks and Lenders.

Auditors.

The present Auditors M/s Mushtaq and Company Chartered Accountants, retire and offer themselves for re-appointment. The Board of Directors, on recommendation of Audit Committee, proposes the re-appointment of M/s Mushtaq and Company, Chartered Accountants, for the year ending June 30, 2018.

Acknowledgement

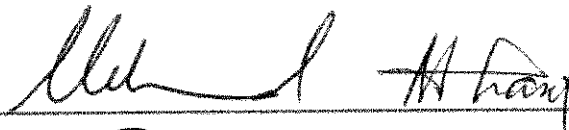
Your directors take this opportunity to express their deep sense of gratitude to all the stakeholders, for their encouragement and support. We would like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Company, and also our shareholders, who have always shown their confidence and faith in the company.

On behalf of the Board of Directors

Mehreen Obaid Agha

Chief Executive Officer

Karachi, September 26, 2017



TOWELLERS LIMITED

Mechanism For Evaluation of The Board

The Board continuously strives to improve their effectiveness and undertake annual reviews to assess the Board's performance the board also review developments in the corporate governance to ensure that the company remains aligned with the best practice

Board Meeting and Attendance of each Director.

During the period under review, four meetings of the Board of Directors were held and following were in attendance.

Director	Status	Attended	Leave of Absence Grand
Mehreen Obaid Agha	Executive Director	3	1
Mahjabeen Obaid	Executive Director	3	1
Sana Bilal	Executive Director	3	1
Hadeel Obaid	Non Executive Director	3	1
Zeeshan K. Sattar	Non Executive Director	2	2
Abdul Jalil Shariff	Non Executive Director	4	-
Swaleha Alam	Non Executive Director	2	2
Surraiya Junaid	Non Executive Director	-	4

Leave of absence was granted to the directors who could not attend the Board meeting due to busy schedule and other appointments.

The details of the remuneration of directors have also been provided in the relevant note to the financial statements as required under the listing regulation of Pakistan Stock Exchange.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company oversees the operations and affairs of the Company in an efficient and effective manner. For the sake of smooth functioning, the Board has constituted two committees. These committees are entrusted with the task of ensuring speedy management decisions.

BOARD AUDIT COMMITTEE

The Company has established an Board Audit Committee as required by the Code of Corporate Governance, the Committee fulfilling its responsibilities including reviewing the financial reporting process the system of internal control over financial reporting, the risk managements and internal audit process to monitor and review the adequacy and implementation of internal control at each level.

The Committee meets at least once in a quarter or as often as it considers necessary, to review and discuss all matters specified in the Code of Corporate Governance.

TOWELLERS LIMITED

Director	Status	Attended
Swaleha Alam	Chairman	2
Sana Bilal	Executive Director	2
Abdul Jalil Shariff	Non Executive Director	4
Hadeel Obaid	Non Executive Director	3

Term of reference of the Audit Committee has also been determined by the Board in accordance with the guidelines provided in the listing regulations of the Pakistan Stock Exchange.

Board Human Resource and remuneration Committee.

The Company has established the HR&R Committee in accordance with the Code of Corporate Governance comprising of the following directors. All relevant issues of appointment & remuneration are fully disclosed, deliberated and decided at the meeting of the Committee. During the year one meeting of the Committee was held and attendance as follows.

Directors	Status	Attended
Mahjabeen Obaid	Executive Director	1
Zeeshan K. Sattar	Non Executive Director	1
Abdul Jalil Shariff	Non Executive Director	1

As per letter received from Pakistan Stock Exchange # Ref-No. PSX/C-980-9286 dated December 19, 2016 advised reconstitute the Audit Committee in light of requirement of Clause 5.19.16(a) of PSX Regulation relating to the Code of Corporate Governance the Board has reconstituted the audit Committee and Sana Bilal has resigned from the Board Audit Committee with immediate effect and following members are as under.

Swaleha Alam	Chairman
Hadeel Obaid	Member
Abdul Jalil Shariff	Member

The Board has approved resignation of Swaleha Alam Independent Director of the Company and appoint Mr. Valy Tariq Rangoonwala as a same position i.e. from April 06, 2017.

TOWELLERS LIMITED

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30TH 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG), contained in rule 5.19 of the rule book of Pakistan Stock Exchange (hereinafter collectively referred to as the rule book) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner.

1. The Company encourages representation of independent non-executive director and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Executive Director	MEHREEN OBAID AGHA
Executive Director	MAHJABEEN OBAID
Executive Director	SANA BILAL
Non-Executive Director	HADEEL OBAID
Non-Executive Director	ZEESHAN K. SATTAR
Non-Executive Director	ABDUL JALIL SHARIFF
Non-Executive Director	SURRAIYA JUNAID
Independent Director	VALY TARIQ RANGOONWALA

The independent directors meet the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on the board of more than seven listed companies including this Company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a broker of stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year ended June 30th 2017.
5. The Company has prepared a "Code of Conduct", and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

TOWELLERS LIMITED

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along-with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
9. Three Directors of the Company had completed certification from (PICG) under the criteria given in clause 5.19.7 of the code. The Board has been provided with the code along with briefings in order for them to properly manage the affairs of the Company as representatives of members of the Company. The Directors are conversant of the relevant laws applicable to the Company its policies and provisions of memorandum and articles of associations and are aware of their duties and responsibilities.
10. There was no new appointment of Chief Financial Officer, Company Secretary or Head of Internal Audit has made during the year.
11. The director's report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee it comprises of three members of whom two are non-executive directors and the Chairman of the Committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to the approval of interim and final results of the company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The board has formed a Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and one is executive director including chairman of the committee is a non-executive directors.
18. The Board has set-up an effective internal audit function managed by qualified and experience professional who are conversant with the policies and procedures of the Company and the industry's best practices. They are involved in the internal audit functions on a full time basis. The head of internal Audit department functionally reports to the Audit 'committee.

TOWELLERS LIMITED

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "closed period", prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, CEO, CFO Head of internal Audit other executives and Pakistan stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through Pakistan stock exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors

Mehreen Obaid Agha

Chief Executive Officer

Karachi, September 26, 2017

TOWELLERS LIMITED

SIX YEARS COMPARATIVE KEY OPERATING AND FINANCIAL RESULTS
FROM 2012 TO 2017
RUPEES IN THOUSANDS

PARTICULARS	2017	2016	2015	2014	2013	2012
Turn over-Net	2,686,140	2,700,457	2,721,485	3,424,904	2,682,072	2,098,927
Cost of sales	2,319,246	2,241,467	2,309,116	3,067,386	2,377,783	2,260,575
Gross profit / (loss)	366,895	458,990	412,368	357,518	304,290	(161,648)
Profit/(loss) from operation	94,121	175,702	115,756	(12,401)	7,137	(437,095)
Finance cost	6,398	6,957	6,920	27,803	44,519	137,003
Profit/(loss) before taxation	87,723	168,744	135,176	(342,565)	76,876	(574,098)
Profit / (loss) after taxation	61,695	144,833	107,143	(376,199)	44,052	(603,349)
Dividend	-	-	-	-	-	-

FINANCIAL DATA

Fixed assets-w.d.v	989,150	1,024,075	1,002,907	515,731	1,659,397	1,325,684
Long term loans	12,041	12,880	13,230	15,085	14,738	15,427
Long term deposits	6,530	7,430	6,530	3,677	5,405	3,846
Current assets	955,356	878,201	949,669	1,877,782	1,153,493	1,013,868
Total	1,963,078	1,922,585	1,972,336	2,412,275	2,833,033	2,358,825

EQUITY & LIABILITIES

Equity	491,128	360,538	221,586	(268,643)	(249,900)	(309,407)
Non current liabilities	204,153	253,680	138,621	840,161	811,839	587,389
Current liabilities	670,531	685,186	959,310	1,469,741	1,512,407	1,666,991
Total	1,365,812	1,299,404	1,319,518	2,041,259	2,074,346	1,944,973

KEY RATIOS%

Gross margin%	13.66	17.00	15.15	10.44	11.26	(7.70)
Net profit (loss)%	2.30	5.36	3.94	(10.98)	1.54	(28.75)
Quick acid ratio%	0.59	0.45	0.37	0.30	0.34	0.28
EBIT margin%	3.50	6.51	5.22	(9.19)	1.21	(33.88)
Current ratio%	1.42	1.28	0.99	1.28	0.76	0.61
Earning/(loss) per share Rs	3.63	8.52	6.30	(22.13)	2.43	(5.68)
Cash dividend Rs.	-	-	-	-	-	-
Debt equity ratio%	1.78	2.60	4.95	(8.60)	(9.30)	(7.29)

TOWELLERS LIMITED

REVIEW REPORT TO THE MEMBERS

On the Statement of Compliance with Best Practices of the Code of Corporate Governance

We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Towellers Limited (the Company) for the year ended June 30, 2017 to comply with the Code contained in regulation No. 5.19 of the Rule book of Pakistan Stock Exchange Limited.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all the risks and control or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee and upon recommendation of audit committee, places before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the statement of compliance does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Mushtaq Ahmed Vohra
FCA

Karachi, September 26, 2017

TOWELLERS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of Towellers Limited as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verifications, we report that;

- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion;
 - (i) the Balance Sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2017 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Mushtaq Ahmed Vohra
FCA

Karachi, September 26, 2017

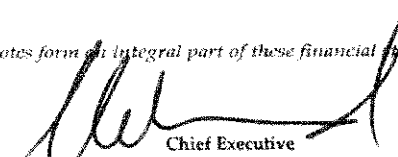
TOWELLERS LIMITED

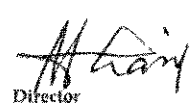
BALANCE SHEET

As at June 30, 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	989,150,121	1,024,074,802
Long term loans and advances	5	12,041,399	12,880,034
Long term deposits	6	6,529,820	7,429,820
		1,007,721,340	1,044,384,656
CURRENT ASSETS			
Stores, spare parts and loose tools	7	9,833,368	17,394,468
Stock in trade	8	278,499,086	294,845,193
Trade debts	9	220,283,574	219,960,403
Loans and advances	10	11,113,710	14,097,764
Trade deposits and short term prepayments	11	12,707,593	10,901,407
Other receivables	12	131,617,283	115,459,217
Income tax and sales tax refundable	13	115,215,321	111,063,696
Cash and bank balances	14	162,311,379	80,703,444
Non-current assets held for sale	15	13,775,094	13,775,094
		955,356,408	878,200,686
		1,963,077,748	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			
	16	170,000,000	170,000,000
Reserves			
		321,128,435	190,538,434
		491,128,435	360,538,434
Surplus on revaluation of property, plant & equipment	17	597,265,397	623,181,201
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financings	18	100,000,575	110,641,795
Loan from directors & others	19	-	3,750,002
Deferred liabilities			
Staff retirement benefits - gratuity	20	104,152,562	139,288,394
		204,153,137	253,680,191
CURRENT LIABILITIES			
Trade and other payables	21	520,109,823	500,302,176
Accrued mark up and interest	22	134,214,818	134,214,818
Short Term borrowing	19	3,958,335	-
Current portion of -			
Long term financings	18	12,247,803	49,245,400
Loan from directors and others	19	-	1,423,122
		670,530,779	685,185,516
CONTINGENCIES AND COMMITMENTS			
	23		
		1,963,077,748	1,922,585,342

The annexed notes form an integral part of these financial statements.


Chief Executive


Director

Karachi, September 26, 2017

TOWELLERS LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales - net	23.9	2,686,140,180	2,700,457,329
Cost of sales	24.9	(2,319,245,634)	(2,241,467,345)
Gross profit		366,894,546	458,989,984
Distribution cost	25.9	(117,873,591)	(131,378,035)
Administrative expenses	26.9	(159,944,125)	(154,846,372)
Other operating expenses	27.9	(8,009,726)	(12,330,015)
Other income	29	13,054,069	15,266,232
		(272,773,373)	(283,288,191)
Profit/from operations		94,121,173	175,701,793
Finance cost	30	(6,398,378)	(6,957,463)
Profit before taxation		87,722,795	168,744,331
Provision for taxation	31	(26,027,654)	(23,911,589)
Profit for the year		61,695,141	144,832,741
Earnings per share - basic and diluted	32	3.63	8.52

The annexed notes form an integral part of these financial statements.


Chief Executive

Karachi, September 26, 2017


Director

TOWELLERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
Profit for the year		61,695,141	144,832,741
Gain / (loss) on remeasurement of staff retirement benefits	20.1	42,979,056	(37,459,999)
Total comprehensive income for the year		104,674,197	107,372,742

The annexed notes form an integral part of these financial statements.



Chief Executive



Director

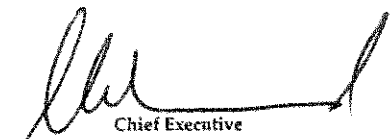
Karachi, September 26, 2017

TOWELLERS LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2017

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Sub total	
		Share premium	Unappropriated profit		
Rupees					
Balance as at June 30, 2015 (Restated)	170,000,000	63,000,000	(9,471,204)	53,528,796	223,528,796
Total comprehensive Income for the period ended June 30, 2016	-	-	107,372,742	107,372,742	107,372,742
Transferred from surplus on revaluation of property, plant & equipment	-	-	29,636,896	29,636,896	29,636,896
Balance as at June 30, 2016	170,000,000	63,000,000	127,538,434	190,538,434	360,538,434
Total comprehensive income for the period ended June 30, 2017	-	-	104,674,197	104,674,197	104,674,197
Transferred from surplus on revaluation of property, plant & equipment	-	-	25,915,804	25,915,804	25,915,804
Balance as at June 30, 2017	170,000,000	63,000,000	255,128,435	321,128,435	491,128,435

The annexed notes form an integral part of these financial statements.


Chief Executive


Director

Karachi, September 26, 2017

TOWELLERS LIMITED

STATEMENT OF CASH FLOWS For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		87,722,795	168,744,330
Adjustments for:			
Depreciation		76,514,891	50,361,509
Staff retirement benefits - gratuity		23,874,225	22,694,571
Finance cost		6,398,378	6,957,463
Workers' profit participation fund		4,616,989	8,881,281
Workers' welfare fund		-	2,241,118
(Gain) on disposal of property, plant and equipment		(914,212)	(1,024,588)
		110,490,271	90,111,354
Profit before working capital changes		198,213,066	258,855,684
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		7,561,100	5,397,665
Stock in trade		16,346,107	39,268,669
Trade debts		(323,170)	40,868,292
Loans and advances		2,984,054	7,379,577
Trade deposits and short term prepayments		(1,806,186)	(4,842,057)
Other receivables		(16,158,066)	5,991,251
		8,603,839	94,063,397
(Decrease) / increase in current liabilities			
Trade and other payables		24,643,543	(109,530,071)
Cash generated from operations		231,460,449	243,389,011
Finance cost paid		(6,398,378)	(6,957,463)
Taxes (paid) / received		(30,179,281)	(37,558,861)
Workers' profit participation fund paid		(9,452,886)	(7,145,060)
Long term loan to employees		838,635	349,538
Long term deposits		900,000	(900,000)
Staff retirement benefits - gratuity paid		(16,031,001)	(9,991,880)
Net cash generated from operating activities		171,137,538	181,185,286
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		3,022,000	3,405,000
Fixed capital expenditure		(43,697,997)	(87,684,517)
Net cash used in investing activities		(40,675,997)	(84,279,517)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(repayment) of long term financings		(47,638,817)	111,319,893
Proceeds/(repayment) of loan from directors & others		-	(15,000,000)
Short term borrowings		(1,214,789)	(199,995,304)
Net cash used in financing activities		(48,853,606)	(103,675,412)
Net increase in cash and cash equivalents		81,607,935	(6,769,642)
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 year	14	162,311,379	80,703,444

The annexed notes form an integral part of these financial statements.

Karachi, September 26, 2017


Chief Executive


Director

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

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 Ordinance, 1984) and is quoted on Pakistan Stock Exchange. The registered office of the Company is located at WSA - 30 & 31, Block - 1, Federal "B" Area Karachi. The main business of Company is manufacturing and export of textile made ups, garments and towels.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for derivative financial instruments that are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest rupees unless otherwise specified.

2.4 Use Of Estimates And Judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 37 to these financial statements.

2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 Changes in accounting policies arising from standards, interpretations and amendments to published approved accounting standards that are effective in the current year

Following standards, amendments and interpretations are effective for the year ended June 30, 2017. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards, interpretations & amendments	Description
---	-------------

IFRS 11 – Joint Arrangements	IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard does not have an impact on Company's financial statements.
------------------------------	--

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

- | | |
|--|---|
| ii IFRS 12 – Disclosure of Interests in Other Entities | IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard does not have material impact on Company's financial statements. |
| iii IFRS 13 – Fair Value Measurement | IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard does not have material impact on Company's financial statements except for some disclosures. |

2.5.2 Approved accounting standards, interpretations and amendments thereto issued but not effective as at the reporting date

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date. Their impact on the Company's financial statements cannot be ascertained as at the reporting date.

Standards, interpretations & amendments	Description
ii Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018). The amendments relate to the following areas : <ul style="list-style-type: none"> - The accounting for the effects of vesting conditions on cash-settled share-based payment transactions; - The classification of share-based payment transactions with net settlement features for withholding tax obligations; and - The accounting for a modification to the terms and conditions of a share-based payment that changes the transactions from cash-settled to equity-settled.
iii Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative (effective for annual periods beginning on or after 1 January 2016). The amendments were a response to comments that there <ul style="list-style-type: none"> - An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. - An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material. - In the other comprehensive income, section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosures for the following terms: <ul style="list-style-type: none"> • the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified subsequently to profit or loss; and • the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified subsequently to profit or loss.
iv Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative (effective for annual periods beginning on or after 1 January 2017). The amendments are part of the IASB's Disclosure Initiative project and introduce additional disclosure requirements intended to address investors' concerns that financial statements do not currently enable them to understand the entity's cash flows; particularly in respect of the management of financing activities.

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

- The amendments require disclosure of information enabling users financial statements to evaluate changes in liabilities arising from financing activities. The amendments do not define financing activities, instead they clarify that financing activities are based on the existine definition used in IAS 7. Although there is no specific format required to comply with the new requirements, the amendments include illustrative examples to show how an entity can meet the objective to these amendments. The amendments are to be applied prospectively. Entities are not required to present comparative information for earlier periods.
- ⊠ Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised tax assets for unrealised losses
- Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses (effective for annual periods beginning on or after 1 January 2017).
- The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences. The amendments also clarify that:
- The carrying amount of an assets does not limit the estimation of probable future taxable profits; and that
 - when comparing deductible temporary differences with future taxable profits, the future taxable profits exclude tax deductions resulting from the reversal of those deductible
- The amendments are to be applied retrospectively.
- ⊠ Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization
- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have significant impact on Company's financial statements.
- ⊠ Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; are accounted for in the same way as self-constructed items of property, plant and equipment during construction.
- ⊠ IAS 27 (Revised 2011) - Separate Financial Statements
- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

- 2.5.3 Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan till 30th June 2016:

Standards or interpretation	Effective date - Annual period beginning on
- IFRS 9 - Financial Instruments	1 st January 2018
- IFRS 14 - Regulatory Deferral Accounts	1 st January 2016
- IFRS 15 - Revenue from Contracts with Customers	1 st January 2018
- IFRS 16 - Leases	1 st January 2019

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

3 Summary of Significant Accounting Policies

3.1 Property, plant and equipment

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

3.1.1 Owned

Property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss.

Depreciation on all items of property, plant and equipment is charged to income applying the reducing balance method so as to write off the depreciable amount of an asset over its estimated useful life. Depreciation is being charged at the rates given in note to property plant & equipment. Leasehold land is amortized over the term of lease, if material.

Depreciation on additions to property, plant and equipment is charged from the month in which an assets become available for use, while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual values and useful lives are continually reviewed by the company and adjusted if impact on depreciation is significant. The company's estimate of the residual value of its property, plant and equipment as at June 30, 2017 has not required any adjustment, as its impact is considered insignificant.

The company continually assesses at each statement of financial position date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account for the year. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its

The profit or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense. Maintenance and normal repairs are charged to income. Major renewals and improvements are capitalized.

3.1.2 Leased

Assets held under finance lease are stated at the lower of their fair value or present value of minimum lease payments at inception less accumulated depreciation and accumulated impairment losses, if any.

The outstanding obligation under the lease agreements are shown as a liability net of finance charges allocated to future periods.

The finance charges are allocated to accounting periods in manner so as to provide a constant periodic rate of return on the outstanding liabilities.

Depreciation on assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Company.

3.2 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents expenditure incurred on fixed assets in the course of construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for

3.3 Investments

Investments intended to be held for less than twelve months from the statement of financial position date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

3.3.1 Available-for-sale Investments

Available-for-sale investments are initially recognized at cost and carried at fair value at the statement of financial position. Fair value of a quoted investment is determined in relation to its market value at the statement of financial position date. Adjustment arising from remeasurement of investment to fair value is recorded in equity and taken to income on disposal of investment or when the investment is determined to be impaired.

3.3.2 Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking, are classified as investments at fair value through profit or loss and designated as such upon initial recognition. These are stated at fair values with any resulting gains or losses recognized directly in the profit and loss account. The fair value of such investments representing listed equity securities are determined on the basis of prevailing market prices.

3.3.3 Held-to-maturity investment

Held-to-maturity investment are recorded at amortized cost using effective interest rate method less impairment, with revenue recognized on an effective basis.

3.4 Derivative financial instruments

The company enters into derivative financial instruments, which include future contracts. Derivatives are initially recorded at cost and are remeasured to fair value on subsequent reporting dates. The fair value of a derivative is the equivalent of the unrealized gain or loss from marking to market the derivative using prevailing market rates. Derivatives with positive market value (unrealized gain) are included in other receivables and derivatives with negative market value (unrealized losses) are included in other liabilities in the statement of financial position. The resultant gain and losses from derivatives held for trading purpose are included in income currently. No derivative is designated as hedging instrument by the company.

3.5 Loans, advances, deposits and other receivables

These are stated at cost. Provision is made for the amounts considered doubtful. Amounts considered irrecoverable are written off to profit and loss account.

3.6 Stores, spares and loose tools

These are stated at average cost and goods-in-transit are stated at actual cost.

Provision is made in the financial statements for obsolete and slow moving stores and spares based on management estimate.

3.7 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows;

Raw material	At weighted average cost or replacement cost which ever is lower
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost or net realisable value which ever is lower
Waste	Net realizable value

Raw material in transit is stated at invoice price plus other charges paid thereon upto the balance sheet date.

Average manufacturing cost in relation to work in process and finished goods, consist of direct material and proportion of manufacturing overheads based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

3.8 Trade debts

Trade debts are carried at original invoice amount which is the fair value of consideration to be received for goods and services less an estimate made for doubtful debts based on a review of all outstanding amounts at the year-end. Bad debts are written-off when identified.

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

3.9 Bank borrowings

Borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

3.10 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that

3.11 Employees' retirement benefits

Employee Benefits
Compensated absences

3.12 Staff retirement benefits - gratuity

The company operates an approved unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Contributions are made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to income. The most recent valuation was carried out on June 30, 2017 using the "Project Unit Credit Method".

The company has adopted IAS 19, (Revised) 'Employee Benefits'. The amendments in the revised standard require the company to eliminate the corridor approach and recognize all actuarial gains and losses (now called 'remeasurements', that result from the remeasurement of defined benefits obligations and fair value of plan assets at the balance sheet date) in other comprehensive income as they occur, immediately recognize all past service costs and replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefits liability / asset.

The effect of change has been accounted for retrospectively in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors", resulting in restatement of financial statements of prior periods. Resultantly, the cumulative effect of adjustments that arose as July 01, 2012 has been presented and disclosed as part of the statement of changes in equity, while the corresponding period adjustments through other comprehensive income is restated and disclosed as part of statement of comprehensive income respectively.

3.13 Trade and other payables

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in future for goods and services received.

3.14 Taxation

3.14.1 Current year

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for

3.14.2 Deferred tax

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

3.15 Dividend

Dividend is recognized as a liability in the period in which it is approved by shareholders.

3.16 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

3.17 Revenue recognition

- a) Revenue from sale of goods is recognized when goods are dispatched to customers and invoices raised.
- b) Return on bank balances is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.
- c) Dividend income and entitlement of bonus shares are recognized when right to receive such dividend and bonus shares is established.

3.18 Government grant

These represent transfer of resources from government, government agencies and similar bodies, in return for the past or future compliances with certain conditions relating to the operating activities of the entity.

The grants are disclosed as a deduction from the related expense.

3.19 Borrowing cost

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its' commencing.

3.20 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on translation are recognized in the profit and loss account. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

3.21 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks, cash in hand and short term deposits. For the purposes of cash flow statement cash and cash equivalents consist of cash and cash equivalents as defined above, net of temporary overdrawn bank balances.

3.22 Impairment

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account.

3.23 Financial instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and de-recognized when the company loses control of the contractual rights that comprise the financial assets and when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognizing of financial assets and financial liabilities is included in the profit and loss account for the year. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

3.24 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to setoff the recognized amount and the company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.25 Related party transactions

All transactions with related parties are carried out by the Company at arms' length price using the method prescribed under the Companies Ordinance 1984.

Nature of the related party relationship as well as information about the transactions and outstanding balances are disclosed in the relevant note to the financial statements.

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended June 30, 2017

4 PROPERTY, PLANT AND EQUIPMENT

		2017	2016
	Notes	Rupees	Rupees
Operating fixed assets	4.1	967,196,215	1,024,074,803
Capital work in progress - at cost	4.5	21,951,906	-
		989,148,121	1,024,074,803

4.1 Operating fixed assets

	2017										Total	
	Leasehold land (Dye House)	Leasehold land (Dye House)	Building on leasehold land (Dye House)	Plant & machinery (Dye House)	Plant & machinery	Electric installation	Gas installation	Furniture & fixture	Office equipment	Bicycles		Vehicles
Cost	61,909,861	362,498,610	285,145,817	57,165,201	190,288,869	11,622,861	205,594	15,341,000	93,349,299	22,375	46,535,113	1,166,009,068
Accumulated depreciation	(7,281,332)	(4,449,836)	(8,519,115)	(46,266)	(22,000,238)	(10,622,299)	(9,980)	(9,980,000)	(46,266,945)	(18,980)	(38,475,365)	(161,034,265)
Net book value	61,738,428	258,030,137	276,626,702	56,898,936	168,288,631	1,000,562	195,614	5,360,999	47,082,354	3,395	8,059,748	1,004,974,803
Year ended June 30, 2017												
Opening net book value	61,738,428	258,030,137	276,626,702	56,898,936	168,288,631	1,000,562	195,614	5,432,964	47,082,354	3,395	8,059,748	1,024,074,803
Additions during the year	-	-	-	5,680,000	3,777,815	-	-	1,980,210	3,678,730	-	5,278,818	21,746,091
Disposals / transfers	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation / transfers	-	-	-	-	-	-	-	-	-	-	-	-
Cost												
Accumulated depreciation												
Depreciation charge for the year	(621,620)	(2,806,365)	(27,662,973)	(16,120,707)	(17,129,165)	(10,037)	(15,594)	(649,222)	(5,076,413)	(3,395)	(2,464,129)	(76,314,891)
Closing net book value June 2017	61,116,807	255,223,772	248,963,729	56,529,609	151,159,466	990,525	179,983	5,863,963	47,082,354	3,055	8,766,666	967,196,215
Annual depreciation rate%	99 Years	99 Years	10%	10%	10%	10%	10%	10%	10%	10%	10%	26%

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the year ended June 30, 2016

2016

	At July 01, 2015	Building on leasehold land (Dye House)	Building on leasehold land (Dye House)	Plant & machinery (Dye House)	Plant & machinery (Dye House)	Pump & machinery	Electric installation	Gas installation	Furniture & fixture	Office equipment	Bicycles	Vehicle	Total
Cost	63,999,960	263,489,870	22,527,360	151,946,955	21,052,890	186,396,660	11,822,861	205,364	14,919,305	75,570,128	22,375	47,795,633	856,530,213
Accumulated depreciation	(11,911,977)	(664,573)	(4,530,963)	(3,774,239)	(5,386,763)	(3,313,369)	(10,711,338)	(54,804)	(9,324,976)	(42,716,509)	(18,603)	(37,588,419)	(120,166,252)
Net book value	62,887,983	261,824,696	17,996,397	148,172,716	15,666,127	183,083,291	1,111,523	150,560	5,594,329	32,853,619	3,772	10,207,214	736,363,961
Year ended June 30, 2016													
Opening net book value	62,887,983	261,824,696	17,996,397	148,172,716	15,666,127	183,083,291	1,111,523	150,560	5,594,329	32,853,619	3,772	10,207,214	736,363,961
Additions during the year				7,892,364	57,166,401	3,996,269			41,755	3,028,300		2,436,300	8,779,824
Addresses (Transfers from Capital work in progress)													342,430,833
Revaluation													
Disposals / transfers													
- Cost													
- Accumulated depreciation													
Depreciation charge for the year	(646,555)	(3,704,561)	(3,868,152)	(14,881,378)	(11,866,532)	(13,466,939)	(111,523)	(15,176)	(983,120)	(3,536,236)	(377)	(2,296,573)	(59,361,599)
Closing net book value June 2016	61,738,428	258,050,137	17,628,742	140,983,696	16,699,595	169,616,352	1,000,000	135,384	4,611,209	29,317,383	3,395	8,010,641	1,024,874,803

Annual depreciation rate*

90 Years	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	20%	
60 Years	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	20%	
Net	Rs 68,551,798	Rs 8,160,403	Rs 76,314,891	Rs 44,013,141	Rs 6,346,268	Rs 50,361,589	Rs 47,081,384	Rs 5,432,864	Rs 135,504	Rs 47,081,384	Rs 3,395	Rs 8,010,641	Rs 1,024,874,803

*Net book value of Rs 13,775,094 has been transferred to non-current assets classified as held for sale (note 15)

Cost of sales
Administrative expenses

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS For the year ended June 30, 2017

4.2 Disposal of property, plant and equipment

Particulars	Particulars of buyer	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss)	Mode of disposal
Vehicles (Karachi)							
Suzuki Khyber ABK-390	Syed Azeem ul Hassan	315,000	305,893	9,107	285,000	195,893	Negotiation
Master Econo Truck JV-2262	Mian Gul Islam	764,000	710,076	53,924	655,000	601,076	Negotiation
Toyota Corrola Altis BFV-181	M/s.Century Insurance	2,297,000	261,603	2,035,397	2,100,000	64,603	Insurance Claim
Honda CD-70 KCM-9402	Rashid Hussain	35,000	34,810	190	5,000	4,810	Negotiation
Honda CD-70 KCX-4260	Muhammad Nadeem	35,000	34,876	124	10,000	9,876	Negotiation
Honda CD-70 KAV-8876	Abul Abdul Kazzaq	69,000	66,850	2,150	15,000	12,850	Negotiation
Honda CD-100 KDH-4176	M/s.Century Insurance	60,490	55,594	6,896	32,000	25,104	Insurance Claim
2017		3,575,490	1,467,702	2,107,788	3,022,000	914,212	
2016		3,699,000	1,318,588	2,380,412	3,405,000	1,024,588	

	Note	2017 Rupees	2016 Rupees
4.3 Gain/(Loss) on disposal of property, plant and equipment			
Cost		3,575,490	3,699,000
Less: Accumulated depreciation		(1,467,702)	(1,318,588)
		2,107,788	2,380,412
Sale proceeds		(3,022,000)	(3,405,000)
Gain on disposal of property, plant and equipment		(914,212)	(1,024,588)

4.4 Had there been no revaluation the related figures of land, building and plant and machinery at June 30, 2017 would have been as follows:

	Cost as on June 30, 2017	Accumulated depreciation	Book value June 30, 2017	Cost as on June 30, 2016	Accumulated depreciation	Book value June 30, 2016
Leasehold land	19,327,159	9,988,176	9,338,983	19,327,159	7,381,811	11,945,348
Building on free/leasehold land	431,391,705	282,566,367	148,825,338	431,391,705	240,805,023	190,586,682
Plant and machinery	1,117,350,303	634,223,238	483,127,065	1,113,572,690	617,094,073	496,478,617
	1,568,069,367	926,777,781	641,231,586	1,564,291,534	865,280,908	699,010,646

4.5 Capital work in progress - at cost

Building - civil works	21,951,906	-
	21,951,906	-

The movement in Capital work in progress is as follows:

Balance at the beginning of the year	-	264,523,340
Addition during the year:		
Building - civil works	21,951,906	46,494,399
Plant and machinery	-	24,910,060
Equipment	-	6,501,033
	21,951,906	77,905,492
Transfer to operating fixed assets:		
Building - civil works	-	270,313,861
Plant and machinery	-	57,186,201
Equipment	-	14,950,771
	-	342,450,833
Balance at the end of the year	21,951,906	-

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
5 LONG TERM LOANS AND ADVANCES			
Loan to employees - secured			
Executives	5.1 & 5.1.1	11,898,605	12,312,197
Other employees	5.1.1	2,145,099	1,840,543
		14,043,704	14,152,740
Current portion of loans shown under current assets			
Executives	10	1,198,442	568,000
Other employees	10	803,863	704,706
		(2,002,305)	(1,272,706)
		<u>12,041,399</u>	<u>12,880,034</u>
5.1 Movement in loans to executives			
Balance at the beginning of the Year		12,312,197	11,548,070
Amount disbursed during the year		2,695,463	3,152,546
		15,007,660	14,700,616
Amount recovered during the Year		(3,109,055)	(2,388,419)
Balance at the end of the Year		<u>11,898,605</u>	<u>12,312,197</u>
5.1.1 All the loans are granted to the employees, free of interest in accordance with their terms of employment and secured against gratuity.			
5.1.2 Maximum amount due from executives during the year, calculated by reference to month-end balances, was Rs. 12,983,878 (June 30, 2016: Rs.12,441,442).			
6 LONG TERM DEPOSITS			
Security deposits		<u>6,529,820</u>	<u>7,429,820</u>
7 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		6,829,887	13,672,319
Spare parts and loose tools		3,003,481	3,722,149
		<u>9,833,368</u>	<u>17,394,468</u>
7.1 No item of stores, spare and loose tools is pledged as security as at reporting date.			
8 STOCK IN TRADE			
Raw material		86,722,000	85,542,468
Work in process		81,676,886	108,642,125
Finished goods		106,132,700	90,053,336
Stock in transit-Raw material		3,967,500	-
Stock in transit-Finished goods		-	10,607,264
		<u>278,499,086</u>	<u>294,845,193</u>

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
8.1		Stock in trade has been valued at lower of cost and net realizable value as required by IAS 2.	
8.2		No items of stock in trade is pledged as security as at reporting date.	
8.3		The goods purchased during the period but delivered in our premisses after the 30th June 2017 due to transportation period shown as 'Stock intransit'.	
9		TRADE DEBTS	
		Secured against letter of credit	
		Foreign debts	
	9.1	220,283,574	203,503,370
		Unsecured- considered good	
		Foreign debts	
		-	15,138,844
	9.2	-	1,318,189
		-	16,457,033
		<u>220,283,574</u>	<u>219,960,403</u>
		<u>220,283,574</u>	<u>219,960,403</u>
9.1		Foreign debts are secured against letter of credit.	
9.2		Write off Rs.69,085 from domestic debts due to amount unrecoverable from last 2 years.	
9.3		The movement in provision during the year is as follows:	
			Balance at the beginning of the Year
		-	8,203,093
		-	8,203,093
			Bad debts recovered during the year
		-	(8,203,093)
		-	-
		<u>-</u>	<u>-</u>
9.3.1		No provision made during the year and last year as well.	
10		LOANS AND ADVANCES	
		Loan to employees-Secured against gratuity	
		Executive - secured	
	5	1,198,442	568,000
		Others - secured	
	5	803,863	704,706
		2,002,305	1,272,706
		Advances:	
		to suppliers	
		6,303,847	11,053,149
		to contractors	
		2,807,558	1,771,909
		9,111,405	12,825,058
		<u>11,113,710</u>	<u>14,097,764</u>
10.1		All the loans to employees and executives are granted to the employees, free of interest in accordance with their terms of employment and secured against gratuity.	

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
11	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Security deposits		265,000	200,000
Prepayments		12,442,593	10,701,407
		<u>12,707,593</u>	<u>10,901,407</u>
12	OTHER RECEIVABLES		
Considered good			
Export rebate		61,863,274	81,998,335
Duty drawback of taxes (DDT)		36,293,127	-
Sales tax demand	12.1	33,460,882	33,460,882
		<u>131,617,283</u>	<u>115,459,217</u>
12.1	The company has filed appeal before the Commissioner Inland Revenue (Appeal) Karachi bearing No. dated 08 November 2013 against the order in original No.10 of 2013 dated 26 August 2013 for the recovery of Rs. 24,686,265 which was rejected by Commissioner Inland Revenue (Appeal-I) Karachi on dated 13 October 2014. Then company filed appeal bearing No. 194/KB/2014 U/s 45 (b) before the appellate Tribunal Inland Revenue Karachi Pakistan. Before the decision of Appeal No.194/KB/2014 office of the Assistant Commissioner Inland Revenue, E&C Unit/04 Zone IV RTO Karachi issued recovery notice No.293 dated 27 May 2015 for the recovery of Rs. 24,686,265 with the penalty & default surcharge for Rs. 8,774,617 and attached the bank accounts and recovered the Rs. 33,460,882 now the pending appeal No.194/KB/2014 allowed in the favor of the company by set aside adverse order dated 26 August 2013 and dated 13 October 2014. Company very much hopeful to recover the above amount.		
13	INCOME TAX AND SALES TAX REFUNDABLE		
Income Tax refundable			
Balance at the beginning of the Year		10,229,985	4,052,855
Advance income tax		10,420,859	8,049,621
Provision for taxation adjusted against advance tax		(194,827)	(1,872,491)
Balance at the end of the Year		<u>20,456,017</u>	<u>10,229,985</u>
Sales tax refundable		94,759,304	100,833,711
		<u>115,215,321</u>	<u>111,063,696</u>
14	CASH AND BANK BALANCES		
Cash in hand		427,341	486,682
Cash at banks:			
In current accounts		26,625,508	26,719,203
In saving accounts	14.1	135,258,530	53,497,559
		<u>161,884,038</u>	<u>80,216,762</u>
		<u>162,311,379</u>	<u>80,703,444</u>
14.1	It carries mark up at the rate of 3% to 5.50% (June 30, 2016 : 5% to 5.5%) per annum.		

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

			2017 Rupees	2016 Rupees
15	NON-CURRENT ASSETS HELD FOR SALE			
	Last year, certain assets (plant & machinery) were classified as held for sale due to discontinuation of production. Efforts to sell the assets were started and the sale was expected to be completed within twelve months. The fair value of the non current asset held for sale is higher so the asset is recorded at net book value i.e at carrying amount Rs.13,775,094 (2016: Rs.13,775,094).			
15.1	Due to loadshedding in the country investment in the machinery stuck-up, and the buyers were not offering workable rates. Company is still in search of a serious buyer, therefore, the assets are still classified as held for sale. Company is hopeful that the asset will be sold within next twelve months.			
16	ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
	2017	2016	2017	2016
	Number of shares		Rupees	Rupees
	9,372,247	9,372,247	93,722,470	93,722,470
			Ordinary shares of Rs. 10 each allotted for consideration paid in cash	
	1,012,753	1,012,753	10,127,530	10,127,530
			Ordinary shares of Rs. 10 each allotted as bonus shares	
	6,615,000	6,615,000	66,150,000	66,150,000
			Ordinary shares of Rs. 10 each allotted for consideration against plant & machinery	
	<u>17,000,000</u>	<u>17,000,000</u>	<u>170,000,000</u>	<u>170,000,000</u>
16.1	The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.			
17	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
			623,181,201	652,818,097
	Balance at the beginning of the Year			
			-	-
	Surplus on revaluation of land, building & plant and machinery			
			<u>623,181,201</u>	<u>652,818,097</u>
			(25,915,804)	(29,636,896)
	Transfer to unappropriated profit in equity on account of incremental depreciation charged in profit and loss account			
			<u>597,265,397</u>	<u>623,181,201</u>
	Balance at the end of the Year			
17.1	Revaluation of land and building was carried out on December 14, 1994 by M/s. Iqbal A. Nanjee & company, an independent valuer which resulted a surplus of Rs. 51,761,688/- further revaluations were carried by the same valuer on land and building on 18.09.2002 resulting a surplus of Rs. 114,522,302/-, on land, building and plant & machinery on 31.08.2006, resulting surplus of Rs. 290,598,092/-, on land, building and plant & machinery (Karachi located) on 18.04.2009 which resulted a surplus of Rs. 111,213,341/- and on 24.05.2013 which resulted a surplus of Rs. 426,916,311/- and a deficit of Rs. 60,988,241/- and were credited and debited to surplus on revaluation account. Location wise revaluation of land, building and plant & machinery was carried out on April 30, 2015 by M/s. Iqbal A. Nanjee & company which resulted a surplus of Rs. 299,410,253 and were credited to surplus on revaluation account.			

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
18 LONG TERM FINANCINGS			
Loans from banking companies - secured			
Bankislami (Formerly KASB Bank Limited) - NIDF	18.1	11,452,260	20,261,790
Silk Bank Limited - NIDF	18.2	1,676,493	6,730,493
United Bank Limited - NIDF	18.3	-	2,894,337
Allied Bank Limited-TF	18.4	100,000,575	130,000,575
		113,129,328	159,887,195
Overdue installments shown under trade and other payables		(880,950)	-
Current portion shown under current liabilities		(12,247,803)	(49,245,400)
		(13,128,753)	(49,245,400)
		<u>100,000,575</u>	<u>110,641,795</u>

18.1 This facility of non interest demand finance (NIDF) for Rs.42.285 million on the basis of restructuring agreement dated 09 April 2014 and repayable in 48 monthly installments started from 31 May 2014. The above loan is secured by first joint pari passu equitable mortgage and hypothecation charge over fixed assets amounting Rs.59.20 million (2016:Rs.59.20 million).

18.2 This facility of non interest demand finance (NIDF) for Rs.17.330 million on the basis of restructuring agreement dated 09 April 2014 and repayable in 48 monthly installments started from 31 May 2014. The above loan is secured by first joint pari passu equitable mortgage and hypothecation charge over fixed assets amounting Rs.21.660 million (2016:Rs.21.660 million).

18.3 This facility of non interest demand finance (NIDF) for Rs. 10.855 on the basis of restructuring agreement dated 14 May 2014 and repayable in 30 monthly installments started from 31 July 2014. The above loan is secured by first joint pari passu equitable mortgage and hypothecation charge over fixed assets amounting Rs.39.806 million (2016:Rs.39.806 million).

18.4 This facility of Term Finance on the basis of restructuring agreement dated 06 october 2015 for Rs.250.00 million. As per agreement company paid Rs.60 million upfront and Rs.90 million payable in 36 installments started from 31 July 2014 to June 2017. Company will get Rs.100.00 million write off & zero mark-up benefit subjected to timely payment of monthly installments according to agreed schedule. The above loan is secured by first joint pari passu equitable mortgage and hypothecation charge over fixed & pari passu hypothecation and floating charge over company's' stocks, book debts, receivables, lien on export / import documents amounting Rs.600.00 million (2016:Rs.600.00 million).

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
19 LOAN FROM DIRECTORS AND OTHERS			
Mst.Surriya Junaid		-	28,854
Mst.Saba Obaid		-	21,640
Mrs.Sharmeen Obaid Chinoy		-	17,519
Mrs.Mahjabeen Obaid		-	17,519
Mrs.Mehreen Obaid Agha	19.2	3,958,335	5,017,519
Mrs.Sana Bilal		-	17,519
Mrs.Hadeel Obaid		-	17,519
Mr.Sheikh Muhammad Hamza		-	35,035
		3,958,335	5,173,124
Current portion shown under current liabilities/ transferred to short term borrowings	19.3	(3,958,335)	(1,423,122)
		-	3,750,002

19.1 The company acquired 134.22 acre land located at nooriabad in Rs.173,124 on 21st Decemebr 2013 from the legal heirs of late CEO Sheikh Muhammad Obaid. The same land was mortgaged with banks against company's loans.

19.2 This interest free loan amounting Rs.5 million was obtained from C.E.O of the company for capital expenditure. Repayable in 24 monthly installments commence from 1st January 2017 after completion of grace period of 2 years. 30 days notice required from either party to terminate/ reduce the tenure of this agreement.

19.3 The loan agreement has been revised on 15th June 2017. Accordingly the loan is repayable on demand by the lender.

	2017 Rupees	2016 Rupees
20 STAFF RETIREMENT BENEFITS - GRATUITY		
20.1 Movement in the net liability recognized in the balance sheet		
Opening net liability	139,288,394	89,125,704
Expense for the year	23,874,225	22,694,571
Remeasurement recognized in other comprehensive income	(42,979,056)	37,459,999
	120,183,563	149,280,274
Benefits paid during the year	(16,031,001)	(9,991,880)
Closing net liability	104,152,562	139,288,394
20.2 Expense recognized in the profit and loss account		
Current service cost	16,542,274	13,367,065
Interest cost	7,331,951	9,327,506
	23,874,225	22,694,571

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees			
20.3 Movement in the present value of defined benefit obligation						
Present value of defined benefit obligation		139,288,394	89,125,704			
Current service cost		16,542,274	13,367,065			
Interest cost		7,331,951	9,327,506			
Actuarial (loss) / gain		(42,979,056)	37,459,999			
Benefits paid		(16,031,001)	(9,991,880)			
		<u>104,152,562</u>	<u>139,288,394</u>			
20.4 Historical information						
		2017	2016	2015	2014	2013
Present value of defined benefit		<u>104,152,562</u>	<u>139,288,394</u>	<u>89,125,705</u>	<u>74,808,998</u>	<u>50,317,322</u>
20.5 Reconciliation						
Present value of defined benefit obligation					104,152,562	139,288,394
					<u>104,152,562</u>	<u>139,288,394</u>
20.6 General description						
The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charges is made using the actuarial technique of Projected Unit Credit Method.						
20.7 Principal actuarial assumption						
Following are a few important actuarial assumption used in the valuation.						
				%	%	
Discount rate				8.65%	8.00%	
Expected rate of increase in salary				10.00%	10.00%	
20.8						
Expected gratuity expense for the year ending June 30, 2018 works out to Rs.27,216,702/-.						
21 TRADE AND OTHER PAYABLES						
Trade Creditors		504,849,802	460,492,094			
Accrued liabilities		4,639,356	2,827,581			
Advances from customers		5,042,339	20,292,601			
Overdue bank's installments		880,950	-			
Workers' profit participation fund	21.1	4,616,989	9,452,886			
Workers' welfare fund		-	6,419,593			
Sales tax withholding payable	21.2	80,387	817,421			
		<u>520,109,823</u>	<u>500,302,176</u>			

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

	Note	2017 Rupees	2016, Rupees
21.1 Workers' profit participation fund			
Balance at the beginning of the Year		9,452,886	7,145,060
Interest on fund utilized in company's business		361,075	571,605
		9,813,961	7,716,665
Paid during the year		(9,813,961)	(7,145,060)
		-	571,605
Allocation for the year		4,616,989	8,881,281
Balance at the end of the Year		4,616,989	9,452,886
21.2 Sales Tax (ST) Special Procedure (Withholding) Rules, 2007 (Rules) were notified by the Federal Board of Revenue (FBR) through its notification SRO 660(I)/2007 dated June 30, 2007, whereby certain withholding agents were required to withhold ST from payments for taxable goods and services, as supplied to such withholding agents, at the specified rates.			
22 ACCRUED MARK UP AND INTEREST			
Mark up / interest accrued on secured loans:			
Short term borrowing		134,214,818	134,214,818
		134,214,818	134,214,818
22.1 According to restructuring agreement dated 06 october 2015 with Allied Bank Limited the accrued mark-up for Rs.134.21 million will be written off subject to timely payment of NIDF installment as disclosed in note no.18.4.			
23 CONTINGENCIES AND COMMITMENTS			
23.1 Contingencies			
Bank guarantees issued in the ordinary course of business		9,405,000	3,090,000
23.2 Commitments			
Building		-	10,000,000
		-	10,000,000

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
24 SALES - NET			
Export	24	2,695,729,358	2,751,077,508
Local		530,915	4,007,699
Waste		5,529,579	3,084,234
		<u>2,701,789,852</u>	<u>2,758,169,441</u>
Rebate		59,863,615	20,547,463
Commission on exports		(43,839,913)	(46,197,137)
Discount on exports		(31,673,374)	(32,062,438)
		<u>2,686,140,180</u>	<u>2,700,457,329</u>
24	Exchange gain due to currency rate fluctuations relating to export sales amounting to Rs.33.00 million (June 30, 2016: Rs. 50.26 million) has been included in export sales.		
24.9 COST OF SALES			
Cost of goods manufactured	25	1,824,574,565	1,861,913,597
Finished goods			
Opening stock		100,660,600	106,239,009
Purchases		500,143,170	373,975,339
Stock in transit		-	(10,607,264)
Closing stock		(106,132,700)	(90,053,336)
Cost of sales		<u>2,319,245,634</u>	<u>2,241,467,345</u>
25 Cost of goods manufactured			
Raw material consumed	25.1.1	780,039,812	699,855,663
Purchase (semi finished goods)		182,448,040	187,941,402
Stores and spares consumed	25.1.2	20,265,429	196,250,431
Other manufacturing expenses	25.1.3	371,800,697	401,764,241
Salaries, wages and other benefits	25.1.4	241,967,005	201,483,274
Communication expenses		231,903	203,169
Conveyance		209,970	242,690
Utilities		85,632,640	75,947,885
Insurance		15,384,472	9,635,723
Repairs and maintenance		8,378,813	8,677,689
Oil and lubricants		1,630,319	829,495
Printing and stationery		1,530,426	929,676
Rent, rates and taxes		4,977,127	4,030,384
Entertainment expenses		5,228,689	3,386,569
Vehicle running and maintenance		5,383,792	5,136,275
Depreciation	4.1	68,354,788	44,013,241
Other expenses		4,145,403	3,995,190
		<u>1,797,609,326</u>	<u>1,844,322,997</u>

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
Work in process			
Opening stock		108,642,125	126,232,724
Closing stock		(81,676,886)	(108,642,125)
		26,965,239	17,590,599
		1,824,574,565	1,861,913,596
25.1.1 Raw material consumed			
Opening stock		85,542,468	101,642,129
Purchases - net		774,590,827	675,571,856
Cartage-in		10,596,017	8,184,146
		870,729,312	785,398,131
Stock in-transit		(3,967,500)	-
Closing stock		(86,722,000)	(85,542,468)
		780,039,812	699,855,663
25.1.2 Stores and spares consumed			
Opening stock		17,394,468	22,792,133
Purchases - net		12,704,329	190,852,766
		30,098,797	213,644,899
Closing stock		(9,833,368)	(17,394,468)
		20,265,429	196,250,431
25.1.3 Other manufacturing expenses			
Fabric dyeing and processing charges		243,117,854	268,744,504
Stitching charges		128,682,843	133,019,737
		371,800,697	401,764,241
25.1.4 Salaries, wages and other benefits includes Rs.14,661,296/- (June 30, 2016: Rs. 10,464,679/-) in respect of staff retirement benefits (gratuity).			
25.9 DISTRIBUTION COST			
Export development surcharge		6,622,501	6,905,045
Export freight		61,049,459	64,644,656
Clearing and forwarding		21,451,067	26,308,571
Marine insurance		3,937,716	4,392,220
Fair & exhibition		6,416,708	7,642,005
Other expenses		1,045,947	169,105
Travelling		17,350,193	21,316,432
		117,873,591	131,378,035

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
26.9 ADMINISTRATIVE EXPENSES			
Directors' remuneration		21,756,600	20,106,441
Staff salaries and other benefits	27	89,848,574	89,146,584
Conveyance		81,550	104,760
Vehicle running and maintenance		6,019,580	4,940,986
Rent, rates and taxes		4,485,564	6,404,963
Utilities		5,589,950	5,744,495
Printing and stationery		814,661	710,902
Legal and professional charges		1,831,863	2,721,186
Repairs and maintenance		3,234,339	1,285,263
Communication expenses		6,464,944	4,578,633
Entertainment		4,021,463	3,664,662
Office expenses		2,397,132	1,525,104
Insurance		4,986,334	6,291,572
Advertisement		182,382	1,272,554
Bad debt		69,085	-
Depreciation	4.1	8,160,103	6,348,268
		<u>159,944,125</u>	<u>154,846,372</u>
27 Staff salaries and other benefits includes Rs.9,212,929/- (June 30, 2016: Rs. 12,229,892/-) in respect of staff retirement benefits (gratuity).			
27.9 OTHER OPERATING EXPENSES			
Workers' profit participation fund	21.1	4,616,989	8,881,281
Workers' welfare fund		-	2,241,118
Auditors' remuneration	28	1,125,866	1,107,616
Sales tax demand		2,251,871	-
Donation	28.1	15,000	100,000
		<u>8,009,726</u>	<u>12,330,015</u>
28 Auditors' remuneration			
Annual audit fee		698,775	698,775
Half yearly review fee		128,841	128,841
Code of corporate governance review		55,000	55,000
Tax services		175,000	125,000
Other services		68,250	100,000
		<u>1,125,866</u>	<u>1,107,616</u>
28.1 None of the directors or their spouses had any interest in donee fund.			

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
29 OTHER INCOME			
From financial assets			
Profit on savings account		5,720,264	6,038,551
Bad debt recovered		-	8,203,093
Workers welfare fund		6,419,593	-
From other than financial assets			
Gain on sale of property, plant and equipment	4.3	914,212	1,024,588
		13,054,069	15,266,232
30 FINANCE COST			
Mark up / interest on			
Workers' profit participation fund	21.1	361,075	571,605
Bank charges and commission		6,037,303	9,659,145
SBP mark-up subsidy	30	-	(3,273,287)
		6,398,378	6,957,463
30.0	Government of Pakistan had announced 'Export Finance Mark-up Rate Facility' of 2.5% to the exporters of Textile Industry on outstanding loans availed by the industry from commercial banks for export of eligible commodities under SBP's Export Finance Scheme (EFS) vide Ministry of Textile Industry's Notification No.3 (2) TID/09-P-I dated 1st September, 2009.		
31 TAXATION			
Provision / reversal for taxation			
Current year		26,027,654	23,911,589
		26,027,654	23,911,589
31.0	The provision for taxation has been made in these financial statements on the basis of section 169 of the Income Tax Ordinance, 2001.		
31.1	No provision in these accounts has been made for deferred tax. A technical release i.e. TR-27 issued by the Institute of Chartered Accountants of Pakistan prescribed that deferred tax accounting does not apply to those companies whose entire sales are covered under section 169 of the Income Tax Ordinance, 2001, as there will be no timing differences.		
32 Earnings per share			
Basic earnings per share			
Profit for the year	Rupees	61,695,141	144,832,741
Weighted average number of ordinary shares outstanding during the year	Numbers	17,000,000	17,000,000
Profit per share - basic	Rupees	3.63	8.52
Diluted earnings per share			
There were no convertible dilutive potential ordinary shares in issue as at June 30, 2017 and June 30, 2016.			

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

33	REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES	2017			2016		
		CEO	Directors	Executives	CEO	Directors	Executives
		Rupees			Rupees		
	Managerial remuneration	4,170,120	17,586,480	30,339,660	3,870,040	16,236,401	25,367,829
	Bonus	115,298	531,697	532,114	363,058	1,684,262	2,631,927
	Utilities	-	2,055,344	926,256	-	-	759,727
	Medical expenses	11,140	1,800,339	1,041,180	-	-	513,569
	Others	64,550	553,603	126,762	-	-	797,734
		4,361,108	22,527,463	32,965,972	4,233,098	17,920,663	30,090,785
	Number of persons	1	5	23	1	5	20

33.0 Directors and executives are provided with free use of Company's maintained car, reimbursement of utility bills at their residence.

34 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	2017	2016
Salaries and other benefits	Key management personnel	26,888,571	22,153,761
Loan repay to C.E.O & directors	Key management personnel	1,111,741	-

The company continues to have a policy whereby all transactions with related parties are entered at arm's length price using admissible valuation method and expenses are charged on actual basis.

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES			
The company has exposures to the following risks from its use of financial instruments.			
35.0			
35.1			
35.2			
The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.			
35.0			
35.1.1			
Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the long term loans & advances, long term deposits, trade debts, loans and advances, trade deposits and short term prepayments, other receivables and cash and bank balances. Out of total financial assets of Rs. million 544.16 (June 30, 2016; Rs. 450.73 million), financial assets which are subject to credit risk aggregate to Rs. million 544.16 million (June 30, 2016; Rs. 450.73 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows.			
Long term loans and advances	5	14,043,704	14,352,740
Long term deposits	6	6,529,820	7,429,820
Trade debts	9	220,283,574	219,960,403
Loans and advances	10	9,111,405	12,825,058
Trade deposits and short term prepayments	11	265,000	200,000
Other receivables	12	131,617,283	115,459,217
Cash and bank balances	14	162,311,379	80,703,444
		544,162,164	450,730,681

35.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by geographical region is as follows.

		2017 Rupees	2016 Rupees
Domestic	9	-	1,318,189
Export	9	220,283,574	218,642,214
		220,283,574	219,960,403

The majority of export debtors of the company are situated in Asia, Europe, and North America.

35.1.3 The aging of trade debtors at the balance sheet is as follows:

	Gross debtors	
	2017	2016
	Rupees	
Not past due	196,979,893	203,259,098
Past due 0 - 30 days	21,814,452	8,656,947
Past due 31 - 90 days	1,489,230	7,975,273
Past due 91 days - 1 year	69,085	69,085
More than one year	220,352,660	219,960,403
Impairment	(69,085)	-
	220,283,574	219,960,403

35.1.4 Credit quality of counter parties is assessed based on historical default rates. All receivables past due are considered good. The management believes that allowance for impairment of receivables past due is not necessary, as these comprise amounts due from old customers, which have been re-negotiated from time to time and are also considered good.

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS For the year ended June 30, 2017

		Note	2017 Rupees	2016 Rupees		
35.1 Liquidity risk						
Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.						
			2017			
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
			Rupees			
Non - derivative Financial liabilities						
Long term financings	113,129,328	173,995,267	9,622,700	19,245,400	96,227,000	48,900,166
Trade and other payables	520,109,823	520,109,823	520,109,823	-	-	-
Accrued mark up and interest	134,214,818	134,214,818	134,214,818	-	-	-
	767,453,969	828,319,908	663,947,341	19,245,400	96,227,000	48,900,166
			2016			
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
			Rupees			
Non - derivative Financial liabilities						
Long term financings	159,887,195	173,995,267	9,622,700	19,245,400	96,227,000	48,900,166
Trade and other payables	500,302,176	500,302,176	500,302,176	-	-	-
Accrued mark up and interest	134,214,818	134,214,818	134,214,818	-	-	-
	794,404,189	808,512,261	644,139,694	19,245,400	96,227,000	48,900,166

35.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

35.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

35.3.1 Currency risk

Exposure in currency risk

The company is exposed to currency risk on trade debts, borrowing and import of raw material and stores that are denominated in a currency other than the respective functional currency of the company, primarily in US Dollar and Euro. The currencies in which these transactions primarily are denominated is US Dollar and Euro. The company's exposure to foreign currency risk is as follows.

	US Dollar	Euro	GBP	Rupees
Trade debts 2017	1,851,016	59,850	140,159	220,283,574
Trade debts 2016	1,968,421	-	92,366	218,642,214

The following significant exchange rates applied during the year.

Average rates		Reporting date rates	
2017	2016	2017	2016
104.65	103.10	104.80	104.50

US Dollar to Rupee

Sensitivity analysis

5% strengthening of Pak Rupee against the following currencies at June 30, would have increased / (decreased) equity and profit and loss by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. 5% weakening of Pak Rupee against the above currencies at periods ends would have had the equal but opposite effect on the above currencies to the amount shown below, on the basis that all other variables remain constant.

	2017 Rupees	2016 Rupees
US Dollar	(9,699,324)	(10,285,001)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the company.

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
35.3.2 Interest rate risk			
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from short and long term borrowings from bank and term deposits and deposits in FLS saving accounts with banks. At the balance sheet date the interest rate profile of the company's interest bearing financial instrument is as follows.			
Fixed rate instruments			
Financial assets		-	-
Financial liabilities		113,129,328	159,887,195
Variable rate instruments			
Financial assets		133,258,530	53,997,599
Financial liabilities		-	-

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for June 30, 2017.

Profit and loss		Equity	
100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Rupees			
Cash flow sensitivity - variable rate instruments 2017	-	-	-
Cash flow sensitivity - variable rate instruments 2016	-	-	-

35.3 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

35.4 Off balance sheet items

Bank guarantees issued in ordinary course of business	9,405,000	3,090,000
---	-----------	-----------

35.5 The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

36 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing, long term financing from directors and others and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

		2017	2016
Borrowings	Rupees	113,129,328	159,887,195
Total equity	Rupees	491,128,435	360,538,434
Total capital employed	Rupees	604,257,763	520,425,628
Gearing ratio	Percentage	18.72	30.72

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
--	------	----------------	----------------

37 MEASUREMENT OF FAIR VALUES:

A number of the Company's accounting policies and disclosure require the measurement of fair values for both financial, if any and non-financial assets and financial liabilities. The carrying value of financial assets and financial liabilities approximates their fair values.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There were no transfers between different levels of fair values mentioned above. The respective basis of valuation at fair values are disclosed in notes to the account wherever applicable. The following table provides fair value measurement of non-recurring measurements at fair value.

	Level 1	Level 2	Level 3
30 June 2017			
Revalued Land & Building	-	-	962,360,448
30 June 2017			
Revalued Land, Building & Plant & Machinery	-	-	688,652,244

38 CAPACITY AND PRODUCTION

The plant capacity are indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.

39 ACCOUNTING ESTIMATES AND JUDGMENTS

39.0 Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

39.1 Investment stated at fair value

Management has determined fair value of certain investments by using quotations from active market conditions and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgment (e.g. valuation, interest rate, etc.) and therefore, cannot be determined with precision.

39.2 Property, plant and equipment

The Company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment's with a corresponding affect on the depreciation charge and impairment.

39.3 Stock-in-trade and stores and spares

The Company reviews the net realizable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade and stores and spares with a corresponding affect on the amortization charge and impairment. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

TOWELLERS LIMITED

NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS
For the year ended June 30, 2017

40 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2017	2016
	Numbers	Numbers
Total number of employees as at June 30	778	809
Average number of employees during the year	794	750

41 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions of the purposes of comparison. Significant reclassifications made the as following:

Note	Reclassification		Nature	Rupees
	From	To		
28	Administrative expenses -	Distribution cost-	Travelling expense	21,316,432

42 CORRESPONDING FIGURES

Figures have been rounded off to the nearest Rupee.

43 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 26, 2017 by the board of directors of the company.

Chief Executive

Director

TOWELLERS LIMITED

PATTERN OF HOLDING OF THE SHARES HELD BY SHAREHOLDERS AS ON JUNE 30, 2017

Nos OF SHAREHOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
525	1	TO	100	2689
340	101	TO	500	166743
27	501	TO	1000	26102
49	1001	TO	5000	179512
8	5001	TO	10000	72000
1	10001	TO	15000	15000
2	15001	TO	20000	35800
2	20001	TO	25000	47000
4	25001	TO	30000	107500
1	30001	TO	35000	31000
2	35001	TO	40000	73453
2	55001	TO	60000	120000
1	60001	TO	65000	62186
1	70001	TO	75000	75000
1	95001	TO	100000	100000
1	130001	TO	135000	131759
1	140001	TO	145000	141500
1	415001	TO	420000	420000
2	465001	TO	470000	937648
1	525001	TO	530000	526000
3	2455001	TO	2460000	7379247
1	2465001	TO	2470000	2467043
1	3880001	TO	3885000	3882818
977				17000000

CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2017

SR. NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1	INDIVIDUAL	964	16111441	94.7731
2	ASSOCIATED COMPANIES	4	50800	0.2988
3	INSURANCE COMPANIES	2	657759	3.8692
4	PUBLIC SECTOR COMPANIES	6	105000	0.6176
5	OTHERS	1	75000	0.4412
	COMPANY TOTAL	977	17000000	100.0000

TOWELLERS LIMITED

CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2017

Categories of Shareholders	No. of Share holders	Shares Held	Percentage
DIRECTORS, CEO & RELATIVES			
Ms. Surraiya Junaid	1	62,186	0.3658
Ms. Mehreen Obaid Agha	1	2,459,748	14.4691
Ms. Mahjabeen Obaid	1	2,467,043	14.5120
Ms. Sana Bilal	1	2,459,748	14.4691
Ms. Hadeel Obaid	1	2,459,751	14.4691
Mr. Zeeshan K. Sattar	1	468,448	2.7556
Mr. Abdul Jalil Shariff	1	5,000	0.0294
S.M. Humza Obaid	1	3,882,818	22.8401
Iftikhar Corporation	1	10,000	0.0588
Chenab Textile Corporation	1	15,800	0.0929
Ranjha Linen	1	10,000	0.0588
Fine Fabrico	1	15,000	0.0882
INSURANCE COMPANIES.			
National Insurance Company Ltd	1	526,000	3.0941
Pakistan Reinsurance Company Ltd	1	131,759	0.7751
Y.S. Securities & Services Pvt Ltd	1	1,000	0.0059
DJM Securities (Private) Limited	1	27,000	0.1588
Sherman Securities (Private) Limited	1	24,000	0.1412
Adam Securities Ltd.-MF	1	27,500	0.1618
Growth Securities (Private) - MF	1	23,000	0.1353
MRA Securities Limited - MF	1	2,500	0.0147
OTHERS	1	75,000	0.4412
INDIVIDUAL	956	1,846,699	10.8629
Total	977	17,000,000	100.000

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

Ms. Mahjabeen Obaid	2,467,043
Ms. Mehreen Obaid Agha	2,459,748
Ms. Sana Bilal	2,459,748
Ms. Hadeel Obaid	2,459,751
S.M. Humza Obaid	3,882,818

TOWELLERS LIMITED

Standard Request Form Circulation of Annual Audited Accounts

The Company Secretary

Towellers Limited
WSA, 30-31, Block-1
F.B. Area, Karachi.

Subject: **Circulation of Annual Audited Accounts via Email/CD/USB/DVD or Other**

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the below form and send us to Company address,

I/We hereby consent Option 1 or Option 2 to the above said SROs for Audited Financial Statements and Notice of General Meeting(s) delivered to me hard form instead Email/CD/DVD/USB or any others Electronic Media.

Option 1 – Via Email

Name of the Member/ Shareholders : _____

CNIC /SNIC # : _____

Folio / CDC Account Number : _____

Valid Email Address: _____
(to receive Financial Statements alongwith
Notice of General Meeting(s) Instead of
hard copy, CD/DVD/USB.)

Option 2 – Hard Copy

Name of the Member/ Shareholders : _____

CNIC /SNIC # : _____

Folio / CDC Account Number : _____

Mailing Address: _____
(on which I wish receive Financial
Statements alongwith Notice of
General Meeting(s) instead of
Email/CD/DVD/USB and any other
Electronic Media.)

I/We hereby confirm that the above – mentioned information is correct and in case of any change therein, I/we will immediately intimate to the Company's Share Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Ordinance, 1984.

Shareholder's signature

ٹریڈنگ:

کمپنی کے حصص کی خرید و فروخت قطعی طور پر ڈائریکٹریسی ای او، سی ایف او اور کمپنی سیکریٹری اور ان کی اہلیہ یا بچوں نے نہیں کی ہے۔

ڈویڈنٹ:

ٹیکوں اور مالیاتی اداروں کی (قرض داہندگان) کی ادائیگی کی وجہ سے ڈائریکٹریسی سال کسی بھی قسم کا منافع دینے سے قاصر ہیں۔

آڈیٹر:

کمپنی کے رخصت ہونے والے آڈیٹر میسرز مشتاق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ نے اگلی مدت کے اہل ہونے کے سبب دوبارہ تقرری کی پیش کش کی ہے۔ آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز آنے والے سالانہ و عام اجلاس میں آڈیٹرز میسرز مشتاق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ کی مالی سال 2018 کے لیے کمپنی کے قانونی آڈیٹر کی تقرری کی سفارش کرتا ہے۔

اظہار تشکر:

اس موقع سے فائدہ اٹھاتے ہوئے آپ کے ڈائریکٹرز تمام شراکت داروں کی جانب سے بھرپور حمایت و حوصلہ افزائی کے لیے تہ دل سے ان کے مشکور ہیں۔ ہم اس بات کو ریکارڈ کا حصہ بناتے ہوئے اس کمپنی کے ہر رکن کی انتہک محنت اور ان کی جانب سے بھرپور اخلاص کو دل کی گہرائیوں سے سراہتے ہیں اور حصہ داران کے بھی بے حد مشکور ہیں ان کی جانب سے ہمیشہ کمپنی پر اعتماد اور یقین کا اظہار کیا جاتا ہے۔

TOWELLERS LIMITED

سرمایہ کاری:

چیزوں کی تجدید کرن اور انہیں متوازن رکھنا صنعت میں ایک مسلسل عمل ہے تاکہ پلانٹ اور مشینری میں ریگولیشنری اتھارٹی کے قواعد کے مطابق جدت پیدا کی جاتی رہے۔

موثر کارپوریٹ گورننس:

آپ کی کمپنی کے ڈائریکٹران انتہائی مسرت کے ساتھ اس بات کا اظہار کرتے ہیں کہ کمپنی سیکورٹی ایکسچینج کمیشن آف پاکستان، اسٹاک ایکسچینج کی لسٹنگ سے متعلق قواعد میں مرکوز کارپوریٹ گورننس کے ضوابط کی مکمل پاسداری کی ہے۔

۱۔ کمپنی کی انتظامیہ کی جانب سے تیاری گئی مالی دستاویزات میں اس بات کو یقینی بنایا جاتا ہے کہ کمپنی کے معاملات کاروبار افعال کے نتائج ترسیل نقد و رقم اور حصص میں ردوبدل جیسے معاملات کو ان دستاویزات میں شفاف انداز سے پیش کیا جائے۔

۲۔ کمپنی میں حساب کتاب سے متعلق باقاعدہ کھاتے مرتب کیئے جاتے ہیں۔

۳۔ مالی دستاویزات کی تیاری کے سلسلے میں اکاؤنٹنگ کے مناسب پالیسیوں کو اپنایا جاتا ہے اور اکاؤنٹنگ کے تمام ترجیحیہ معقولیت کی بنیاد پر لگائے جاتے ہیں اندرون کنٹرول کا نظام انتہائی جامع ہے اور اس نظام کو موثر انداز سے نافذ کیا جاتا ہے اور اس کی مکمل نگرانی بھی کی جاتی ہے۔

۴۔ مالی دستاویزات کی تیاری کے سلسلے میں پاکستان میں مشتمل بین الاقوامی فنانس رپورٹنگ اسٹینڈرڈز کا لحاظ بھی رکھا جاتا ہے اور کسی قسم کی رہ گردانی کی صورت میں اس کی مناسب وجوہات بیان کی جاتی ہیں۔

۵۔ اس بات میں کوئی شک کی گنجائش نہیں ہے کہ کمپنی اپنی کاروباری سرگرمیوں کو ہمیشہ جاری رکھنا چاہتی ہے۔

۶۔ لسٹنگ قواعد میں مرکوز کارپوریٹ گورنرز کے ضوابط کی پاسداری سے ایسی کوئی راہ گردانی نہیں کی جو کہ قابل ذکر ہو۔

۷۔ کمپنی کی ایک آڈٹ کمیٹی ہے جس کے ممبران بورڈ آف ڈائریکٹرز سے تعلق رکھتے ہیں۔

۸۔ چھ سال کا اہم آڈیٹنگ اور فنانشل مواد سالانہ رپورٹ میں شامل ہے۔

۹۔ مشن ویجن کے متعین اسٹینڈنٹ سالانہ رپورٹ میں شامل ہیں۔

ترتیب حصد داری:

کمپنیز ایکٹ کے سیکشن (f)(2) اور کوڈ آف کورپوریٹ گورننس کی شرائط کے مطابق کمپنی کی ترتیب حصد داری کو رپورٹ برائے 30 جون 2017ء کے ساتھ منسلک ہے۔

ڈائریکٹروں کی تربیت:

تمام ڈائریکٹران اپنے فرائض کو احسن طریقے سے سرانجام دینے کے لیے نا صرف تربیت یافتہ ہیں بلکہ کمپنی آرڈیننس 1984ء اور اسٹاک مارکیٹ کی رول بک کے تحت اپنے فرائض و ذمہ داریوں سے باخوبی آگاہ ہیں۔

TOWELLERS LIMITED

ڈائریکٹر رپورٹ

معزز ممبران گرامی

السلام علیکم

بورڈ آف ڈائریکٹر کی جانب سے انتہائی مسرت کے ساتھ آپ کی خدمت میں کمپنی آڈٹ رپورٹ کی دستاویزات برائے سال 30 جون 2017 پیش کی جارہی ہے۔

جائزہ

زیر نظر دورانیہ پاکستان کی برآمدات کے لیے زیادہ بہتر ثابت نہیں رہا اور مالی سال 2017 ملک کی کل برآمدات میں 1.6 فیصد کمی واقع ہوئی ہے ٹیکسٹائل سیکٹر میں منافع میں کمی کے منظر نامے کے خلاف مجموعی طور پر صنعت میں اضافہ ہوا ہے پاکستان کی برآمدات بشمول ٹیکسٹائل سیکٹر میں زبردست کمی کے باعث حکومت کی جانب سے امدادی ٹیکس کا اعلان کیا گیا ہے جبکہ بڑا حصہ ٹیکسٹائل کے لیے مختص کیا گیا ہے۔ حکومتی اقدامات کی وجہ سے نہ صرف کام کی طلب بڑھ گئی اور معیشت کو استحکام بھی ملیگا کمپنی حکومت کی جانب سے اس قسم کے اقدامات کا خیر مقدم کرتی ہے جسکی وجہ سے ایک جانب کو عالمی منڈیوں میں پاکستان کی برآمدی مصنوعات اپنی مسابقتی قوت حاصل کرنے میں کامیاب ہو جائیں گی اور دوسری جانب ان اقدامات کی وجہ سے حکومت کی جانب سے متعین کردہ شرح نوع مجموعی اہداف کے حصول میں بھی مدد ملے گی۔

مالیاتی کارکردگی

کمپنی کے اہم ترین مالیاتی نتائج برائے 30 جون 2017 کا تقابلی جائزہ پیش خدمت ہے۔

30-June-2016	30-June-2017	
Rupees(000)		
2,700,457	2,686,140	۱۔ کل فروختگی
458,990	366,895	۲۔ خام منافع
131,378	117,874	۳۔ لاگت برائے تقسیم مال
154,846	159,944	۴۔ لاگت برائے انتظامی امور
12,330	8,010	۵۔ دیگر آپریٹنگ لاگت
15,266	13,054	۶۔ دیگر آمدن
6,957	6,398	۷۔ فنانس لاگت
168,744	87,723	۸۔ نفع (نقصان) قبل از ٹیکس
144,833	61,695	۹۔ نفع (نقصان) برائے مدت رواں
8.52	3.63	۱۰۔ آمدن فی حصص (روپے میں)

اطلاع برائے سالانہ اجلاس عام

- پذیر یونٹس فراہم کیا جاتا ہے کہ راولپنڈی کا چالیسواں (44) سالانہ اجلاس عام، 26 اکتوبر، 2017، بروز جمعرات، 3:30 بجے سہ پہر، بمقام ڈبلیو ایس اے 31-30، بلاک-1، فیڈرل بی ایریا، کراچی پر مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا:
- 1- 26 اکتوبر، 2016، بروز جمعرات، منعقد ہونے والے تینتالیسویں (43) سالانہ اجلاس عام کی کارروائی کی توثیق۔
 - 2- عرصہ ختمہ 30 جون، 2017 کیلئے کمپنی کے اکاؤنٹس، آڈیٹرز کی رپورٹ اور ان پر ڈائریکٹرز کی رپورٹ کو وصول کرنا، غور و خوض کرنا اور منظوری دینا۔
 - 3- سال 2017-2018 کیلئے ڈائریکٹرز کا قراردادوں کے معاوضے کا تعین کرنا۔
 - 4- جی بی این اجلاس کی اجازت سے کسی دیگر عمومی معاملات کی انجام دہی۔
- بجٹیم بورڈ ممبران عادل کھٹی بیکری کراچی، 26 ستمبر، 2017

نوٹس:

- 1- کمپنی کی منتقلی حصص کی کتابیں مورخہ 19 اکتوبر، 2017 سے 26 اکتوبر، 2017 تک بند ہیں گی (دونوں دن شامل ہیں)۔
- 2- اجلاس میں شرکت کرنے، بولنے اور ووٹ کا حق رکھنے والا ہر ممبر اپنی جگہ کمپنی کی کسی دوسرے ممبر کو اپنی جانب سے اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کیلئے اپنا پراسی مقرر کر سکتا ہے۔ باقاعدہ ممبر شدہ، دستخط شدہ اور تصدیق شدہ پراسی فارم لازمی طور پر اجلاس سے کم از کم اٹالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ آفس، ڈبلیو ایس اے 31-30، بلاک-1، فیڈرل بی ایریا، کراچی پر پہنچ جانے چاہئیں۔
- 3- پراسی کی کوئی دستاویز اور قرارداد یا دیگر اختیار (اگر کوئی ہو) جس کے تحت دستخط کیے گئے ہا یا بے حقانہ سے کی نوٹری پبلک سے تصدیق شدہ کاپی لازمی طور پر اجلاس سے کم از کم اٹالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرا دی جائے۔
- 4- نمبران سے درخواست ہے کہ اپنے کمپیوٹر پر اتھورائزڈ کارڈ اسمارٹ قومی شناختی کارڈ (CNIC/SNIC) کی ایک کاپی، اگر پہلے جمع نہ کرائی گئی ہو جمع کرائیں اور اپنے رجسٹرڈ پتے میں کسی بھی قسم کی تبدیلی سے ہمارے شیئر رجسٹرار میسرز THK ایسوسی ایشن کو فوراً مطلع کریں۔
- 5- CDC اکاؤنٹ ہولڈرز کو ٹیکس ریٹرنز ایڈجسٹمنٹ کمیشن آف پاکستان کے جاری کردہ مکرملر 01 مورخہ 26 جنوری، 2000 میں دی گئی ہدایات پر مزید عمل کرنا ہوگا۔
- 6- پراسی فارم منسلک ہے۔

ای میل ای وی ایو ایس بی ای وی ڈی وی یا کسی دیگر میڈیا کے ذریعے آڈٹ شدہ سالانہ اکاؤنٹس کی ترسیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے اپنے SRO 787(1)/2014 تاریخ 8 ستمبر 2014 اور SRO 470(1)/2016 تاریخ 31 مئی 2016 کے ذریعے دی گئی ہدایات میں، کمپنیوں کو اپنے سالانہ آڈٹ شدہ اکاؤنٹس (یعنی سالانہ بیلنس شیٹ اور نفع اور نقصان کے اکاؤنٹس، جامع آمدنی کے گوشوارے، کیش فلو کا گوشوارہ، مالیاتی گوشوارے، آڈیٹرز اور ڈائریکٹرز کی رپورٹ) اپنے ممبران کو ای میل ای وی ایو ایس بی ای وی ڈی وی یا کسی دیگر الیکٹرونک میڈیا کے ذریعے ان کے رجسٹرڈ پتوں پر ارسال کرنے کی اجازت دے دی گئی ہے۔ جو شیئر ہولڈرز مالیاتی گوشواروں کی کاپیوں میں نقل حاصل کرنا چاہتے ہوں، انہیں منسلک درخواست فارم (کمپنی کی ویب سائٹ پر بھی دستیاب ہے) پُر کر کے کمپنی کے پتے پر نہیں بھیجنا ہوگا۔

وڈیوں کا نفع کی سہولت:

اگر کمپنی کو کسی دوسرے شہر میں مہم 10 فی صد (10%) یا زائد شیئرز کے مالک ممبران کی طرف سے درخواست موصول ہو تو ایسے ممبران اجلاس کی تاریخ سے کم از کم دس (10) دن پہلے شرکت کے مقصد کے لیے وڈیوں کا نفع کی سہولت کے لئے درخواست کر سکتے ہیں جو اس شہر میں وڈیوں کا نفع کی سہولت کی دستیابی سے مشروط ہوگی۔ کمپنی اجلاس کی تاریخ سے کم از کم سات دن پہلے وڈیوں کا نفع کی سہولت کے مقاصد سے ممبران کو مطلع کرے گی۔

ای۔ وونگ:

SECP کی ای وونگ ریگولیشنز 2016 کے مطابق ممبران کمپنی کو اجلاس کی تاریخ سے کم از کم دس دن پہلے ثالث کی طرف سے بطور نمائندہ ایگزیکٹو آفسیئر کی تقرری پر تحریر ضمانتی دینے کے ذریعے اپنا ای وونگ کا حق استعمال کر سکتے ہیں اور کمپنی ای وونگ کا انتظام کرے گی۔

TOWELLERS LIMITED

Form of Proxy

44th Annual General Meeting

I/We _____
Of _____
Being member(s) of Towellers Limited holding _____
Ordinary shares hereby appoint _____
Of _____ or failing him / her _____
Of _____ who is / are also member(s) of Towellers Limited as my/our proxy in
my / our absence to attend and vote for me / us and on my / our behalf at the forty fourth Annual General
Meeting of the Company to be held on October 26, 2017, and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2017
Signed by the said _____
In the presence of 1. _____

2. _____

Folio / CDC Account No.

Signature

This signature should
agree with the
specimen registered
with the Company.

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, WSA, 30, 31 Block #-1, F.B. Area, Karachi, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC / SNIC (Computerized National Identity Card / Smart National Identity Card) numbers shall be mentioned on the form.
- ii) Attested copies of CNIC / SNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his original CNIC / SNIC or original passport at the time of the meeting.
- iv) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

ٹاولرز لمیٹڈ

نام برائے پراکسی (Form Of Proxy)

سالانہ اجلاس عام

میں ام _____ کا (کامل پتہ) _____
 شخصیات ڈائریکٹرز کے نمبر ایمبران _____ حصص کے مالک، بذریعہ پُر اکا (کامل پتہ) _____
 یا ان کی عدم موجودگی کی صورت میں _____
 کا (کامل پتہ) _____ جو کئی اکا کے نمبر ایمبران ہے اور ۱۲۶ اکتوبر 2017 کو مستند
 ہونے والے اور ایسا ہی ہونے والے کئی کے سالانہ اجلاس عام میں میری ایماری جانب سے ووٹ دینے کے لئے میری ایماری پراکسی مقرر کرتا ہوں کرتی ہوں کرتے ہیں۔

پاور گواہ میں ام بروز _____ تاریخ _____ 2017 کو میرے اہل سے ہاتھ سے مہر لگائی

ذکرہ کی جانب سے دستخط شدہ
 مندرجہ ذیل گواہوں کی موجودگی میں

گواہ
 1- دستخط _____
 نام: _____
 پتہ: _____

کیپٹن رائز ذوقی شامی کارولینا سپورٹس نمبر: _____
 کیپٹن رائز ذوقی شامی کارولینا سپورٹس نمبر: _____

دستخط _____

فولپو ای سی ڈی ای کا ڈیٹ نمبر

دستخط کئی کے رجسٹر میں درج شدہ نمونے کے دستخط کے مطابق ہونے چاہئیں۔

نوٹس

- 1۔ پراکسی نام ہر طرح سے مکمل صورت اور دستخط شدہ نام کئی کے رجسٹرڈ آفس W.S.A 30,31 FEDERAL "B" AREA BLOCK-1, KARACHI میں سالانہ اجلاس عام کے انعقاد کے وقت سے 48 گھنٹے قبل وصول ہونا چاہئے۔
- 2۔ کئی کارولینا پراکسی شرکت کی اجازت نہیں دی جائے گی تاہم کئی کے رجسٹرڈ آفس کے ایک کارپوریٹن کی ایجنڈا کاغذ کار کئی سے مندرجہ ذیل
- 3۔ اگر کسی نمبر سے 2017 کے پراکسی کاغذ کار کئی کے رجسٹرڈ آفس کے ایک کارپوریٹن کی ایجنڈا کاغذ کار کئی سے مندرجہ ذیل

پراکسی ای سی ڈی ای کا ڈیٹ نمبر

- 1۔ ذکرہ کے ساتھ مندرجہ ذیل شرائط کی پوری کرنا ہوں گی:
- 1۔ پراکسی نام و پراکسی جانب سے گواہ کے ساتھ ہونا چاہئے جن کے نام پراکسی ای سی ڈی ای نمبر عام درج ہوں۔
- 2۔ پراکسی نام و پراکسی ای سی ڈی ای نمبر عام کے ساتھ ہونا چاہئے۔
- 3۔ پراکسی نام کے وقت پراکسی ای سی ڈی ای نمبر عام کے ساتھ ہونا چاہئے۔
- 4۔ کارپوریٹن کے وقت پراکسی ای سی ڈی ای نمبر عام کے ساتھ ہونا چاہئے۔

INVESTORS' EDUCATION

In compliance with the Securities and Exchange Commission of Pakistan's SMC R2411/2015 dated September 9, 2015, Investors attention is invited to the following information message:

www.jamapunji.pk



Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

- ☑ Licensed entities Verification
- ☑ Scam meter*
- ☑ Jamapunji games*
- ☑ Tax credit calculator*
- ☑ Company Verification
- ☑ Insurance & Investment Checklist
- ☑ FAQs Answered
- ☑ Online Quries
- ☑ Stock trading simulator (based on live feed from PSE)
- ☑ Knowledge center
- ☑ Risk profiler
- ☑ Financial calculator
- ☑ Subscription to Alerts (event notifications, corporate and regulatory actions)
- ☑ Jamapunji application for mobile device



Securities and Exchange Commission of Pakistan
www.secp.gov.pk

www.jamapunji.pk

www.jamapunji.pk

© 2015 Jama Punji. All rights reserved. No part of this document may be reproduced without written permission.