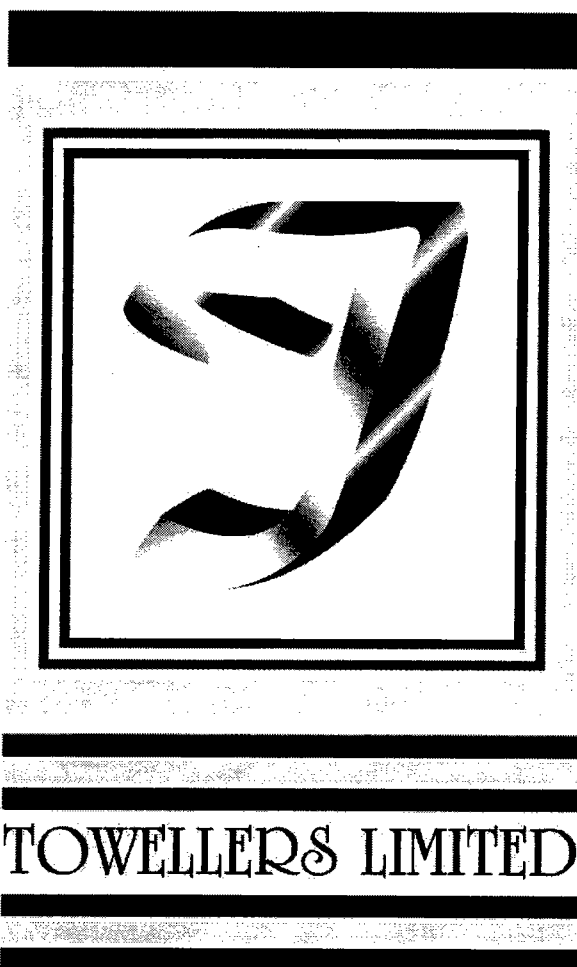


# TOWELLERS LIMITED

ANNUAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2018



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## **Vision**

*The Company's Management strives to achieve the top slot in any business field that they enter and having achieved that, their endeavour is to retain that status without overstepping the bounds of fair play and the norms of business ethics.*

## **Mission**

*Through self discipline be an example to their fellow beings that great heights are achievable in all fields without trampling the rights of others and also ensuring that those associated with the venture, be it the shareholders, the workers from the top to the bottom are satisfied with the returns that accrue to them. A seemingly difficult, if not an impossible task but it is the chosen path on which the Company is headed and thus far it has successfully followed it. Providing maximum employment opportunities and contributing their mite to the Country's economy.*

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# **TOWELLERS LIMITED**

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## **COMPANY INFORMATION BOARD OF DIRECTORS**

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

## **BOARD AUDIT COMMITTEE**

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

## **HUMAN RESOURCE AND REMUNERATION COMMITTEE:**

Mr.	Zeeshan K. Sattar	Chairman
Mrs.	Mahjabeen Obaid	Member
Mr.	Abdul Jalil Shariff	Member

## **CHIEF FINANCIAL OFFICER**

Mr. M. Farzan Ijuba

## **COMPANY SECRETARY**

Mr. M. Farhan Adil

## **STATUTORY AUDITORS**

Mushtaq & Company  
Chartered Accountants  
407-Commerce Centre, Hasrat Mohani Road, Karachi.

## **BANKERS**

Soneri Bank Limited  
Bank Islami Pakistan Ltd  
Allied Bank Limited  
Muslim Commercial Bank Limited  
Faysal Bank Ltd  
Al Baraka Islamic Bank  
Summit Bank Ltd  
Silk Bank Ltd  
Dubai Islamic Bank Pakistan Ltd

## **REGISTRAR & SHARE REGISTRATION OFFICE**

T.H.K., Associates Pvt. Ltd  
Head Office 1<sup>st</sup> 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](http://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 the 45<sup>th</sup> Annual General Meeting of the Company will be held at Towellers House WSA, 30-31, Block-1 Federal B Area Karachi on Wednesday October 24<sup>th</sup> 2018 at 3:30 p.m to transact the following business.

### ORDINARY BUSINESS:

1. To confirm the minutes of the 44<sup>th</sup> Annual General Meeting held on Thursday 26<sup>th</sup> October, 2017.
2. To receive consider and adopt the Audited Financial Statements of the Company for the year ended June 30<sup>th</sup> 2018 together with the Director's and Auditor's Reports thereon.
3. To elect seven Directors of the Company as fixed by the Board for a term of three years commencing from 27<sup>th</sup> October, 2018 in accordance with the provision of section 159 of the Companies act, 2017. Names of the present Directors retiring and eligible to file for nominations.

1. Mehreen Obaid Agha 2. Mahjabeen Obaid 3. Sana Bilal 4. Hadeel Obaid 5. Zeeshan K. Sattar 6. Abdul Jalil Shariff 7. Vally Tariq Rangoonwala

4. To appoint Auditors for the year 2018-2019 and fix their remuneration.

### OTHERS BUSINESS:

5. To transact any other business with the permission of the Chair.

Karachi: September 19<sup>th</sup> 2018.

By Order of the Board  
M. Farhan Adil  
Company Secretary

### NOTES:

1. The share transfer Books of the Company will remain closed from October 17<sup>th</sup> 2018 to October 24<sup>th</sup> 2018 (Both days inclusive).
2. A member entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her. An individual beneficial owner of shares must bring his / her original CNIC or Passport, Account and Participant's I.D. numbers to prove his / her identity. A representative of corporate members, must bring the Board of Directors' Resolution and / or Power of Attorney and the specimen signature of the nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
3. Members can exercise their right to vote under applicable clauses of Companies (Postal Ballot) Regulations, 2018 and requirements of section 143-145 of Companies Act, 2017.
4. Shareholders may participate in the meeting via video link facility if the Companies receives consent at least 10 days before the date of meeting from shareholders, holding an aggregate 10% or more shareholding residing in any other city, to participate through video link the Company will arrange the facility in that city.
5. All the shareholders are once again requested to furnish their copy of CNIC and Bank Account details along with (IBAN) to our registrar and to advise change in address if any.

### STATEMENT OF MATERIAL FACTS UNDER SECTION 166(3) OF THE COMPANIES ACT 2017, CONCERNING THE ELECTION OF DIRECTORS.

1. The Board of Directors in its meeting held on 19<sup>th</sup> September 2018, has fixed the number of directors to elected as seven (7) for the period of the next three years.
2. Any member who seeks to contest an election of Directors of the Company shall file with the Company at its registered office not later than fourteen (14) days before the date of the Annual General meeting his/her intension to offer himself/herself for election of directors in terms of section 159 (3) of the Companies Act, 2017 together with:
  - (a) Consent to act as director in Form - 28, duly completed and signed by the candidate as required under section 167(1) of the Companies Act 2017. (b) Detailed profile along with office address for placement on to the Company's Website seven days prior to the date of election in terms of SRO 25(1) 2012 of January 16, 2012. (c) Signed declaration to the effect that he/she is aware to the duties and power of directors and compliant with the requirements and eligibility criteria under the companies Act, 2017 Memorandum and Articles of Association of the Company, Rule Book of Pakistan Stock Exchange Limited and Code of Corporate Governance Regulations, 2017 and other relevant laws and regulations. (d) Attest copy of valid CNIC/Passport and NTN, any other document/information he/she think necessary. (e) Independent Directors will be elected through the process of election of directors in terms of section 159 of the Companies Act, 2017 and they shall meet the criteria laid down under section 166(2) of the Companies Act, 2017.

**CHAIRMAN'S REVIEW REPORT**

On behalf of the board, I welcome you all to the 45<sup>th</sup> Annual General Meeting of the Company and feel pleasure to present the annual review of the Company performance and the audited financial statement as at June 30, 2018 in compliance under section 192 of the companies Act, 2017. As required under the code of corporate governance and annual evaluation of the board of directors of Towellers is carried out the objective of this evaluation is to ensure that the board's overall performance and effectiveness is measure and benchmark against expectation in the context of goals set for the Company. Your Company is continuing to invest in resources for improvement in production efficiency, human resources and safe practices to enhance the confidence of its customers, work force and stakeholders.

The board received comprehensive agendas and supporting papers in a timely manner for its meeting and was fully involved in the strategic planning process and in developing the vision of the company. All directors including independent directors fully participated in and made contributions to the decision making process of the board. The board has in place comprehensive policies for all relevant areas of the company's operations and these policies are review and updated from time to time.

The audit committee reviews the financial statements and ensures that the accounts fairly represent the financial position of the company. It also ensures effectiveness of internal controls. The HR committee overviews HR policy frame work and recommends selection and compensation of senior management team an important role of the committee is succession planning.

I would like to thank all my fellow board of directors who had carried their responsibilities diligently during the year and contributed towards creating better and sustainable value for all the stakeholder of Company.

**Chairperson**

Karachi, September 19, 2018

# TOWELLERS LIMITED

## DIRECTORS REPORT TO THE MEMBERS

Dear Members

On behalf of the Board of Directors, We feel great pleasure to place before you the audited Financial Statements of your Company for the year ended June 30th, 2018. These Financial Statement have been prepared in accordance with the requirements of International Accounting Standards and the provisions of the Companies Act, 2017 under section 227.

### OVERVIEW

The year under review Company recorded turnover of Rs. 2.605 Billion against 2.686 Billion for the same period last year. Over all economic position of the country has remained stable, there have been some political instabilities, which was compensated by other factors not limited to CEPC gaining and reduction in power crises of the country.

The Implementation of ECC decision regarding withdrawn of sales tax and custom duty on import has supported in reduction cost of production which was increased by abrupt change in exchange rate which in this financial year has been recorded at 10%. There has been increased in distribution cost mainly due to increased freight on account of export. The company contains it administrative cost, increase is mainly on account of uncontrollable features, such as inflation, employee cost etc. Company reported net profit after tax of Rs. 253 Million. Resulting in earning per share (EPS) of Rs. 14.92 (2017 of Rs.3.63).

Furthermore, with the revised export package, rebate/DLTL income recognized under the referred package has support to increase the revenue by Rs. 104 Million. We also availed right off of Rs. 100 Million against principal outstanding and Rs. 134 Million against markup outstanding from bank both included in other income. We believe that the announcement of the revised export package by the government, relaxing the condition subsidiary will surely create further business opportunities for the textile sector for longer period which has the largest share of export of the country. This result will be a great support to the economy as a whole. A comparison of the key financial result of the Company for the year ended June 30, 2018 are as under:

	<u>30-Jun-18</u>	<u>30-Jun-17</u>
	<u>Rupees</u> <u>(000)</u>	
<b>Sales (net)</b>	2,605,809	2,686,140
<b>Gross Profit</b>	388,598	366,895
<b>Distribution Cost</b>	142,394	117,874
<b>Administrative Expenses</b>	184,552	159,944
<b>Other Operating Expenses</b>	15,769	8,010
<b>Other Income</b>	238,924	13,054
<b>Finance Cost</b>	5,201	6,398

# TOWELLERS LIMITED

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<b>Profit Before Taxation</b>	279,606	87,723
<b>Profit After Taxation</b>	253,606	61,695
<b>Earnings Per Share</b>	14.92	3.63

## Pattern of Shareholding

Pattern of shareholding of the Company in accordance with the section 227 (2) (f) of the Companies Act, 2017 as at June 30, 2018 is included in this report.

## Director Training

Three directors of the company had completed certification from **Pakistan Institute of Corporate Governance (PICG)** under the criteria of the Code of Corporate Governance. The directors of the company are adequately trained to perform their duties, and are aware of their responsibilities under the Companies Act 2017.

## 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.

## Election of Directors

The terms of the Board ended on October, 2018 and the election of directors was held during this year.

## Chairman Review


The chairman review part of this annual report and directors of Company endorse contents of the same.

## Auditors

The present auditors M/s Mushtaq and Co. Chartered Accountants retire and offer themselves for reappointment. The board of Directors on recommendation of audit Committee, proposes the re-appointment of Mushtaq and Co. Chartered Accountants for the year ending June 30, 2019.

## Acknowledgement

Your directors take this opportunity to express their deep sense of gratitude to all the stakeholders, for their encouragement and support. We 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 over shareholders, who have always shown their confidence and faith in the Company.

  
Director

  
Chief Executive Officer

Karachi, September 19, 2018



# TOWELLERS LIMITED

## BOARD AND MANAGEMENT COMMITTEES

### THE BOARD OF DIRECTORS

The key responsibilities of the board of directors are to ensure the company's prosperity by collectively directing the company affairs, meeting of its shareholders and stakeholders. The board of Towellers Ltd. is responsible for the Company's system of internal control policies frame work corporate governance and risk assessment. For reviewing its effectiveness, the board remains committed to the highest standard of the corporate governance and integrity. Its overall responsibility for risk within the company has delegated the control of the company to the CEO. The board four times a year to consider financial performance, business strategy, capital planning, asset disposal objectives.

### COMPOSITION OF THE BOARD OF DIRECTORS

A part from regulatory requirement, execution of the company's current and future strategic objective defines the parameters for composition of the board of directors. The board of directors is composed of a skillfully and qualified professional to ensure effective, efficient and independent decision making to run the affairs of the company.

Company's Act, 2017 has made female representation mandatory on board. Towellers is already compliant of this provision by having a female representation on its board for last many years. The board consist of eight directors effectively representing the interest of shareholders including minority shareholders. There are four non-executive directors and three executive directors and one independent director on board (Non-executive). The status of director ship (independent, executive, non-executive) is indicated in the statement of compliance with the code of corporate governance regulation 2017.

### OFFICE OF THE CHAIRMAN & CEO, ROLES & RESPONSIBILITIES

The board comprises of Chairperson and CEO which are two separate positions. Board has explicitly defined and documented role and responsibilities of chairperson and CEO. The chairperson represent the non-executive director and lead the board to ensure that it place an effective role in fulfilling its responsibilities, beside assessing and making recommendations on the efficiency of the committees and individuals direction in fulfilling their responsibilities and avoidance of conflict of interest. She also has the power to set the agenda, give directions and sign the minutes of board meeting.

The CEO of the company and her role entails being ultimately responsible for all day to day operations and conduct of the business in accordance with the law. The CEO acts as a direct liaison between the board and management of the Company and communicates to the board on behalf of management in accordance with the law.

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

The company has established this committee in accordance with the requirement of the code of corporate governance all issues concerning remuneration, recommendation, evaluation and compensation of the senior management are deliberated and decided by this committee. The HR committee also reviews and recommends HR policy and her direct report to CEO. It also considers and approve recommendation of the related matters to key management position who report directly to the CEO. The committee comprises of three members consisting two non-executives and one executive director. This committee meets at-least once in a year.

### AUDIT COMMITTEE

The audit committee consists of three members all of whom are non-executive directors including the chairman of the committee who is an independent director. The term of reference of this committee have been determine in accordance with the listed companies (code of corporate governance) regulation 2017. The committee held four meeting in year 2018. The audit committee annually review the financial aspects and appropriateness of resources, the corporate accounting and financial reporting process, the effectiveness and adequacy of internal controls, the management of risks and the external and internal audit process.

Under the code of corporate governance directors are pleased to state as follows:

- The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the company, appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of Financial Statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the company's ability to continue as a going concerned.
- The highlights of operating and financial data for the last six years are annexed.
- There has been no material departure from the best practices of corporate governance.

### BOARD OF DIRECTORS MEETING

During the year four meetings of board of directors were held, attendance is as follows:

NAME	MEETINGS ATTENDED	NAME	MEETINGS ATTENDED
MEHREEN OBAID AGHA	4	HADEEL OBAID	2
MAHJABEEN OBAID	3	ZEESHAN K. SATTAR	3
SANA BILAL	3	ABDUL JALIL SHARIF	4

Karachi, September 19, 2018

## **TOWELLERS LIMITED**

### **Independent auditor's report to the members of Towellers Limited**

#### ***Report on the Audit of the Financial Statements***

##### ***Opinion***

We have audited the annexed financial statements of Towellers Limited, which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of the profit or loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

##### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### ***Key Audit Matter(s)***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## TOWELLERS LIMITED

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1	<p><b>First time application of third and fourth schedules to the Companies Act, 2017.</b></p> <p>As referred to in note 2.1 to the annexed financial statements, the third and fourth schedules to the Companies Act, 2017 became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018.</p> <p>The Companies Act, 2017 (including third and fourth schedules) forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>As part of this transition to the requirements of the said third and fourth schedules, the management performed a gap analysis to identify differences between the previous reporting framework and the current reporting framework and as a result assessed the amendments (as specified in the said note 2.1) relating to disclosures required in the Company's financial statements.</p> <p>We consider it as a key audit matter in view of the extensive impacts in the financial statements due to the Companies Act, 2017.</p>	<p>Our audit procedures included the following:</p> <p>Considering the management's process to identify the necessary amendments required in the Company's financial statements.</p> <p>Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the third and fourth schedules to the Companies Act, 2017 and our understanding of the Company's operations and business.</p> <p>Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the annexed financial statements based on the new requirements.</p>
2	<p><b>Revenue Recognition</b></p> <p>Refer note 24 to the financial statements and the accounting policy in note 3.17 to the financial statements regarding the sale of goods.</p> <p>The Company generates revenue from sale of goods to export and local customers.</p>	<p>Our audit procedures to assess the timing of revenue recognized from sale of products included the following:</p> <p>Obtained an understanding of the processes relating to the recognition of revenue and accessing the design,</p>

## TOWELLERS LIMITED

	<p>We identified recognition of revenue (against the sale of goods) as a key audit matter because revenue is one of the key performance indicators of the Company which gives rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>implementation and operating effectiveness of key internal controls over the recording of revenue.</p> <p>Comparing a sample of revenue transactions recognized during the year with the sales invoices, delivery orders and other relevant underlying documentations.</p> <p>Comparing a sample of revenue transactions recorded around the year end with the sales invoices, delivery orders and other relevant underlying documentations to access if the related revenue was recorded in the appropriate accounting period.</p>
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### *Information Other than the Financial Statements and Auditor's Report Thereon*

Management is responsible for the other information. The other information comprises: Information obtained prior to the date of auditor's report,

- a) last six years' financial analysis;
- b) director's report;

Information expected to be made available to us after the date of auditor's report,

- a) chairman's review;

but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Board of Directors for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## TOWELLERS LIMITED

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Anwarul Haque, FCA**.

**MUSHTAQ & COMPANY**  
Chartered Accountants  
Engagement Partner:  
Anwarul Haque, FCA

Karachi, September 19, 2018

# **TOWELLERS LIMITED**

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## **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 Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Towellers Limited (the Company) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the 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 risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

**MUSHTAQ & COMPANY**  
Chartered Accountants  
**Engagement Partner:**  
Anwarul Haque  
FCA

Karachi, September 19, 2018

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## **TOWELLERS LIMITED**

### **STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE OF TOWELLERS LIMITED FOR THE YEAR ENDED JUNE 30<sup>th</sup> 2018**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight as per the following:

Male	3
Female	5

2. The composition of board is as follows:

Independent Director	Vally Tariq Rangoonwala
Other Non-Executive Directors	Hadeel Obaid Surraiya Junaid Abdul Jalil Shariff Zeeshan K. Sattar
Executive Directors	Mahjabeen Obaid Sana Bilal Mehreen Obaid Agha

3. The Directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. 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.
5. 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.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. 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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Three Directors of the Company had completed certification from (Pakistan Institute of Corporate Governance (PICG) under the criteria of the code. During the year the board did not arrange any training program for its directors.

## TOWELLERS LIMITED

10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit has made during the year.
11. CFO and CEO endorsed the financial statements before approval of the board,
12. The board has formed following committees comprising of members given below:

### Audit Committee

- |                           |          |
|---------------------------|----------|
| - Vally Tariq Rangoonwala | Chairman |
| - Hadeel Obaid            | Member   |
| - Abdul Jalil Shariff     | Member   |

### HR and Remuneration Committee

- |                       |          |
|-----------------------|----------|
| - Zeeshan K. Sattar   | Chairman |
| - Mahjabeen Obaid     | Member   |
| - Abdul Jalil Shariff | Member   |

- 13 The terms of reference of the aforesaid committees have been formed. Documented and advised to the committee for compliance.
- 14 The frequency of meetings of the committee were as per following:

Audit Committee	Four quarterly meetings during the financial year ended June 30, 2018
HR and Remuneration Committee	One meetings during the financial year ended June 30, 2018
- 15 The board has set up an effective internal audit function managed by a qualified and experience professional for the purpose and is conversant with the policies and procedures of the Company
- 16 The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board 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 ICAP.
- 17 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Company Act 2017, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18 We confirm that all other requirements of the Regulations have been complied with.

**Director**

**Chief Executive Officer**

Karachi, September 19, 2018



# TOWELLERS LIMITED

**SIX YEARS AT GLANCE**  
**FROM 2013 TO 2018**  
**RUPEES IN THOUSANDS**

PARTICULARS	2018	2017	2016	2015	2014	2013
Turn over-Net	2,605,809.06	2,686,140.18	2,700,457.33	2,721,484.80	3,424,903.61	2,682,072.00
Cost of sales	2,217,210.83	2,319,245.63	2,241,467.34	2,309,116.46	3,067,385.72	2,377,783.00
Gross profit / (loss)	388,598.24	366,894.55	458,989.98	412,368.34	357,517.89	304,290.00
Profit/(loss) from operation	284,807.39	94,121.17	175,701.79	115,755.71	(12,400.63)	7,137.00
Finance cost	5,201.40	6,398.38	6,957.46	6,920.07	27,802.90	44,519.00
Profit/(loss) before taxation	279,605.98	87,722.80	168,744.33	135,176.12	(342,564.77)	76,876.00
Profit / (loss) after taxation	253,605.93	61,695.14	144,832.74	107,143.23	(376,199.17)	44,052.00
Dividend	-	-	-	-	-	-

## FINANCIAL DATA

Fixed assets-w.d.v	1,259,134.89	989,150.12	1,024,074.80	1,002,907.30	515,730.66	1,659,397.00
Long term loans	10,642.86	12,041.40	12,880.03	13,229.57	15,085.13	14,738.00
Long term deposits	19,755.32	6,529.82	7,429.82	6,529.82	3,677.38	5,405.00
Current assets	1,048,308.85	955,356.41	878,200.69	949,669.04	1,877,782.08	1,153,493.00
<b>Total</b>	<b>2,337,841.93</b>	<b>1,922,585.34</b>	<b>1,972,335.73</b>	<b>2,412,275.24</b>	<b>2,833,033.00</b>	<b>2,358,825.00</b>

## EQUITY & LIABILITIES

Equity	1,626,000.60	491,128.44	360,538.43	221,586.47	(268,643.18)	(249,900.00)
Non current liabilities	111,448.59	204,153.14	253,680.19	138,620.73	840,161.49	811,839.00
Current liabilities	600,392.74	670,530.78	685,185.52	959,310.43	1,469,741.17	1,512,407.00
<b>Total</b>	<b>2,337,841.93</b>	<b>1,299,404.14</b>	<b>1,319,517.63</b>	<b>2,041,259.48</b>	<b>2,074,346.00</b>	<b>1,944,973.00</b>

## KEY RATIOS%

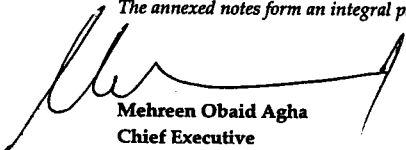
Gross margine%	14.91	13.66	17.00	15.15	10.44	11.26
Net profit (loss)%	9.73	2.30	5.36	3.94	(10.98)	1.54
Quick acid ratio%	0.62	0.59	0.45	0.37	0.30	0.34
EBIT margine%	10.93	3.50	6.51	5.22	(9.19)	1.21
Current ratio%	1.75	1.42	1.28	0.99	1.28	0.76
Earning/(loss) per share Rs	14.92	3.63	8.52	6.30	(22.13)	2.43
Cash dividend Rs.	-	-	-	-	-	-
Debt equity ratio%	0.44	1.78	2.60	4.95	(8.60)	(9.30)

# TOWELLERS LIMITED

## STATEMENT OF FINANCIAL POSITION As at June 30, 2018

	Note	2018	2017	
		Rupees	Restated Rupees	2016 Rupees
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	4	1,259,134,892	989,150,121	1,024,074,802
Long term loans and advances	5	10,642,864	12,041,399	12,880,034
Long term deposits	6	19,755,320	6,529,820	7,429,820
		1,289,533,076	1,007,721,340	1,044,384,656
<b>CURRENT ASSETS</b>				
Stores, spare parts and loose tools	7	18,658,507	9,833,368	17,394,468
Stock in trade	8	373,961,416	278,499,086	294,845,193
Trade debts	9	252,894,905	220,283,574	219,960,403
Loans and advances	10	16,677,084	11,113,710	14,097,764
Trade deposits and short term prepayments	11	13,652,458	12,707,593	10,901,407
Other receivables	12	173,997,681	131,617,283	115,459,217
Income tax and sales tax refundable	13	91,886,889	115,215,321	111,063,696
Cash and bank balances	14	106,579,914	162,311,379	80,703,444
Non-current assets held for sale	15	-	13,775,094	13,775,094
		1,048,308,854	955,356,408	878,200,686
		2,337,841,930	1,963,077,748	1,922,585,342
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Authorized capital				
25,000,000 (June 30, 2017: 25,000,000) ordinary shares of Rs. 10 each		250,000,000	250,000,000	250,000,000
Issued, subscribed and paid up capital	16	170,000,000	170,000,000	170,000,000
Reserves		606,568,525	321,128,435	190,538,434
Surplus on revaluation of property, plant & equipment	17	849,432,078	597,265,397	623,181,201
		1,626,000,603	1,088,393,832	983,719,635
<b>LIABILITIES</b>				
<b>NON CURRENT LIABILITIES</b>				
Long term financings	18	-	100,000,575	110,641,795
Loan from directors & others	19	-	-	3,750,002
<b>Deferred liabilities</b>				
Staff retirement benefits - gratuity	20	111,448,588	104,152,562	139,288,394
		111,448,588	204,153,137	253,680,191
<b>CURRENT LIABILITIES</b>				
Trade and other payables	21	598,934,400	520,109,823	500,302,176
Accrued mark up and interest	22	-	134,214,818	134,214,818
Short Term borrowing	19	1,458,339	3,958,335	-
<b>Current portion of -</b>				
Long term financings	18	-	12,247,803	49,245,400
Loan from directors and others	19	-	-	1,423,122
		600,392,739	670,530,779	685,185,516
<b>CONTINGENCIES AND COMMITMENTS</b>				
	23			
		2,337,841,930	1,963,077,748	1,922,585,342

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

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
M. Farzan Ijtiba  
Chief Financial Officer

Karachi, September 19, 2018

# TOWELLERS LIMITED


## STATEMENT OF PROFIT AND LOSS ACCOUNT For the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
Sales - net	24	2,605,809,063	2,686,140,180
Cost of sales	25	(2,217,210,827)	(2,319,245,634)
<b>Gross profit</b>		<b>388,598,236</b>	<b>366,894,546</b>
Distribution cost	26	(142,393,849)	(117,873,591)
Administrative expenses	27	(184,551,720)	(159,944,125)
Other operating expenses	28	(15,768,970)	(8,009,726)
Other income	29	238,923,692	13,054,069
<b>Profit/from operations</b>		<b>284,807,389</b>	<b>94,121,173</b>
Finance cost	30	(5,201,405)	(6,398,378)
<b>Profit before taxation</b>		<b>279,605,984</b>	<b>87,722,795</b>
Provision for taxation	31	(26,000,057)	(26,027,654)
<b>Profit for the year</b>		<b>253,605,927</b>	<b>61,695,141</b>
<b>Earnings per share - basic and diluted</b>	32	<b>14.92</b>	<b>3.63</b>

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

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
M. Farzan Ijtiba  
Chief Financial Officer

Karachi, September 19, 2018


# TOWELLERS LIMITED

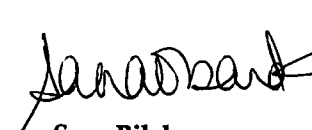
## STATEMENT OF COMPREHENSIVE INCOME


For the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>Profit for the year</b>		253,605,927	61,695,141
Gain / (loss) on remeasurement of staff retirement benefits	20.1	822,599	42,979,056
Gain on Surplus on revaluation of property, plant & equipment		283,178,245	-
<b>Total comprehensive income for the year</b>		<b>537,606,771</b>	<b>104,674,197</b>

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

  
**Mehreen Obaid Agha**  
Chief Executive

  
**Sana Bilal**  
Director

  
**M. Farzan Ijtiba**  
Chief Financial Officer


Karachi, September 19, 2018


# TOWELLERS LIMITED

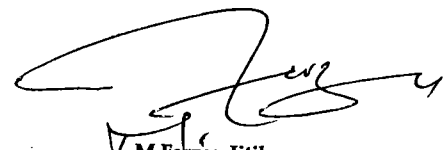
## STATEMENT OF CHANGES IN EQUITY For the year ended June 30, 2018

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Capital Reserve	
		Share premium	Unappropriated profit	Revaluation Surplus	
<b>Rupees</b>					
Balance as at July 1, 2016	170,000,000	63,000,000	127,538,434	-	360,538,434
Impact of re-statement - note-2.5.4	-	-	-	623,181,201	623,181,201
<b>Balance as at July 1, 2016 re-stated</b>	<b>170,000,000</b>	<b>63,000,000</b>	<b>127,538,434</b>	<b>623,181,201</b>	<b>983,719,635</b>
Total comprehensive Income for the period ended June 30, 2017	-	-	104,674,197	-	104,674,197
Transferred from surplus on revaluation of property, plant & equipment	-	-	25,915,804	(25,915,804)	-
<b>Balance as at June 30, 2017-re-stated</b>	<b>170,000,000</b>	<b>63,000,000</b>	<b>258,128,435</b>	<b>597,265,397</b>	<b>1,088,393,832</b>
Total comprehensive income for the period ended June 30, 2018	-	-	254,428,526	283,178,245	537,606,771
Transferred from surplus on revaluation of property, plant & equipment	-	-	31,011,564	(31,011,564)	-
<b>Balance as at June 30, 2018</b>	<b>170,000,000</b>	<b>63,000,000</b>	<b>543,568,525</b>	<b>849,432,078</b>	<b>1,626,000,603</b>

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

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
M. Farzan Ijtiba  
Chief Financial Officer

Karachi, September 19, 2018

# TOWELLERS LIMITED

CASH FLOWS STATEMENT  
For the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		279,605,984	87,722,795
<b>Adjustments for:</b>			
Depreciation		81,929,356	76,514,891
Staff retirement benefits - gratuity		23,873,878	23,874,225
Finance cost		5,201,405	6,398,378
Workers' profit participation fund		14,716,104	4,616,989
Waiver of loan		(100,000,000)	-
Waiver of mark-up		(134,214,818)	-
(Gain) on disposal of property, plant and equipment		(653,392)	(914,212)
		(109,147,468)	110,490,271
Profit before working capital changes		170,458,517	198,213,067
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(8,825,139)	7,561,100
Stock in trade		(95,462,330)	16,346,107
Trade debts		(32,611,332)	(323,170)
Loans and advances		(5,563,374)	2,984,054
Trade deposits and short term prepayments		(944,865)	(1,806,186)
Other receivables		(42,380,398)	(16,158,066)
		(185,787,438)	8,603,839
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		68,978,356	24,643,543
Cash generated from operations		53,649,435	231,460,449
Finance cost paid		(5,201,405)	(6,398,378)
Taxes (paid) / received		(2,671,625)	(30,179,281)
Workers' profit participation fund paid		(4,869,883)	(9,452,886)
Long term loan to employees		1,398,535	838,635
Long term deposits		(13,225,500)	900,000
Staff retirement benefits - gratuity paid		(15,755,253)	(16,031,001)
<b>Net cash generated from operating activities</b>		13,324,304	171,137,538
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		778,000	3,022,000
Fixed capital expenditure		(55,085,395)	(43,697,997)
<b>Net cash used in investing activities</b>		(54,307,395)	(40,675,997)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds/(repayment) of long term financings		(12,248,378)	(47,638,817)
Short term borrowings		(2,499,996)	(1,214,789)
<b>Net cash used in financing activities</b>		(14,748,374)	(48,853,606)
<b>Net increase in cash and cash equivalents</b>		(55,731,465)	81,607,935
<b>Cash and cash equivalents at the beginning of the year</b>		162,311,379	80,703,444
<b>Cash and cash equivalents at the end of the year</b>	14	106,579,914	162,311,379

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

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
M. Farzan Ijtiba  
Chief Financial Officer

Karachi, September 19, 2018

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

Head office: WSA -30 & 31, Block - I, Federal "B" Area Karachi.

#### Manufacturing units of the Company:

- a) WSA - 30 Block - I, Federal "B" Area Karachi.
- b) Plot No.14,15/1,15/2,15/A,16/2,17/1,17/2,17/3, Sector 12-D North Karachi Industrial Area Karachi.
- c) Plot No.9 & 10 Sector 12-C North Karachi Industrial Area Karachi.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the international Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and Provision of and directives issued under the Companies Act, 2017. Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for measurement of certain financial assets and financial liabilities at fair value and recognition of employee benefits at present value.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

#### 2.4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

#### 2.5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

##### 2.5.1 Standards, amendments or interpretations which became effective during the year

Following are the amendments that are applicable for accounting periods beginning on or after July 01, 2017:

'Amendments to IAS 7, 'Statement of cash flows' are applicable for annual periods beginning on or after January 01, 2017. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

##### 2.5.2 New accounting standards, amendments to existing approved accounting standards and interpretations that are issued but not yet effective and have not been early adopted by the Company

IFRS 9, 'Financial instruments' (effective for periods beginning on or after January 01, 2018). IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. The Company has yet to assess the impact of these changes on its financial statements.

IFRS 15, 'Revenue from contracts with customers' is applicable to accounting periods beginning on or after January 01, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entity will recognise transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the impact of this standard on its financial statements.

IFRS 16, 'Leases' is applicable to accounting periods beginning on or after January 01, 2019. IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all the leases on the balance sheet date. This standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals

## TOWELLERS LIMITED

for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessor will not significantly change. Some differences may arise as a result of the new guidance on the definition of lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has yet to assess the impact of this standard on its financial statements.

IFRIC 22, 'Foreign currency transactions and advance consideration' (effective for periods beginning on or after January 01, 2018). The interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The related item is translated using the exchange rate on the date that the advance foreign currency was paid or received and the prepayment or deferred income recognised. The Company has yet to assess the impact of this standard on its financial statements.

IFRIC 23, 'Uncertainty over income tax treatments' (effective for periods beginning on or after January 01, 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Company is yet to assess the full impact of the interpretation.

2.5.3 There are a number of other minor amendments and interpretations to other approved accounting standards that are not yet effective and are also not relevant to the Company and therefore have not been presented here.

### 2.5.4 Changes In Accounting Policy

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity. Following the application of IAS 16, the Company's policy for surplus on revaluation of land and building stands amended as follows:

- Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the Revaluation surplus on land and building to retained earnings.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

## 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, 2018 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



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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 estimated useful life.

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 use.

### 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.

#### 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

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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.

## 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 they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property, which continue to be measured in accordance with the company's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognized in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

## 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, 2018 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 such years.

### 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.

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## 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.

## 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended June 30, 2018

**4 PROPERTY, PLANT AND EQUIPMENT**

	Note	2018 Rupees	2017 Rupees
Operating fixed assets	4.1	1,259,134,892	967,188,215
Capital work in progress - at cost	4.5	21,951,906	
		<u>1,259,134,892</u>	<u>967,188,215</u>

**4.1 Operating fixed assets**

As July 01, 2017

	Cost	Accumulated depreciation	Net book value	Year ended June 30, 2018	Opening net book value	Additions during the year	Disposals/ transfers	Revaluation	Transfer from held for sale	Disposals/ transfers	-Cost	-Accumulated depreciation	Depreciation charge for the year	Closing net book value June 2018
Leasehold land	376,489,630	(9,951,052)	376,539,580	376,539,580										
Building on leasehold land	444,788,176	(68,936,082)	375,852,094	375,852,094	375,852,094									
Plant & machinery	257,193,483	(45,726,495)	211,466,988	211,466,988	211,466,988									
Electric installation	11,822,861	(10,922,527)	900,334	900,334	900,334									
Gas installation	205,364	(83,411)	121,953	121,953	121,953									
Furniture & fixtures	16,991,270	(10,827,377)	5,863,953	5,863,953	5,863,953									
Office equipment	99,028,149	(51,343,458)	47,684,691	47,684,691	47,684,691									
Bicycles	23,375	(19,320)	3,055	3,055	3,055									
Vehicles	48,238,461	(39,471,792)	8,766,669	8,766,669	8,766,669									
Waste water treatment plant	-	-	-	-	-									
Total	1,204,179,669	(236,981,454)	967,198,215	967,198,215	967,198,215									
Capital work in progress														
Building on leasehold land														
Plant & machinery														
Electric installation														
Gas installation														
Furniture & fixtures														
Office equipment														
Bicycles														
Vehicles														
Waste water treatment plant														
Total														
99 Years		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

**TOWELLERS LIMITED**

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

At July 01, 2016

Cost  
Accumulated depreciation  
Net book value

Year ended June 30, 2017

Opening net book value  
Additions during the year  
Additions (Transfer from Capital work in progress)  
Revaluation  
Disposals / transfers  
- Cost  
- Accumulated depreciation

Depreciation charge for the year  
Closing net book value June 2017  
Annual depreciation rate%

	Leasehold land	Building on leasehold land	Plant & machinery	Electric installation	Gas installation	Furniture & fixture	Office equipment	Bicycles	Vehicles	Waste Water Treatment Plant	Total
326,689,630	444,768,176	247,655,070	11,822,881	205,364	15,341,060	93,949,399	22,375	46,535,133	-	-	1,186,005,068
(6,721,066)	(27,174,738)	(22,876,623)	(10,822,490)	(69,860)	(9,908,096)	(46,267,045)	(18,980)	(38,475,365)	-	-	(161,934,245)
319,768,564	417,613,438	224,978,446	1,000,371	135,504	5,432,964	47,682,354	3,395	8,059,768	-	-	1,024,070,803
319,768,564	417,613,438	224,978,446	1,000,371	135,504	5,432,964	47,682,354	3,395	8,059,768	-	-	1,024,070,803
-	-	97,388,313	-	-	1,080,210	5,678,730	-	5,276,818	-	-	21,746,091
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
(3,229,985)	(41,761,344)	(23,249,872)	(100,037)	(13,530)	(619,222)	(5,076,413)	(339)	(2,464,129)	-	-	(76,514,891)
316,538,579	375,852,094	211,466,888	900,334	121,953	5,863,953	47,684,991	3,055	8,766,669	-	-	967,198,215
99 Years	10%	10%	10%	10%	10%	10%	10%	20%	10%	10%	

Note Rupees Rupees

Cost of sales	25	73,714,753	68,354,788
Administrative expenses	26.9	8,214,603	8,160,103
		81,929,356	76,514,891

# TOWELLERS LIMITED

## NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS For the year ended June 30, 2018

### 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
<b>Vehicles (Karachi)</b>							
Unique 70-KFD-3078	Syed Basit Ali	43,000	34,433	8,567	14,000	5,433	Negotiation
Suzuki Cultus AFT-107	Amir Ahmed Patel	560,000	533,576	24,424	350,000	325,576	Negotiation
Suzuki Liana AMS-382	Fazal Hussain Khan	849,000	773,792	75,208	370,000	294,792	Negotiation
Unique 70-KFE-0257	Salman Shah	43,500	34,314	9,186	12,000	2,814	Negotiation
Hero 70-KBF-9380	Shaukat Ali Shahbaz	42,200	39,891	3,309	12,000	9,691	Negotiation
Hero 70-KBG-3363	Nasir Nizam	40,000	37,811	2,189	8,000	5,811	Negotiation
Honda 70-KCU-9406	Syed Arshad Ali	35,000	34,995	5	5,000	4,995	Negotiation
Star-70-KBU-7846	Arsalan	38,000	35,280	2,720	7,000	4,280	Negotiation
2018		1,650,700	1,526,092	124,608	778,000	653,392	
2017		3,575,490	1,467,702	2,107,788	3,022,000	914,212	

	Note	2018 Rupees	2017 Rupees
4.3. Gain/(Loss) on disposal of property, plant and equipment			
Cost		1,650,700	3,699,000
Less: Accumulated depreciation		(1,526,092)	(1,318,588)
		124,608	2,380,412
Sale proceeds		(778,000)	(3,405,000)
Gain on disposal of property, plant and equipment		(653,392)	(1,024,588)

### 4.4. Had there been no revaluation the related figures of land, building and plant and machinery at June 30, 2018 would have been as follows:

	Cost as on June 30, 2018	Accumulated depreciation	Book value June 30, 2018	Cost as on June 30, 2017	Accumulated depreciation	Book value June 30, 2017
Leasehold land	19,327,159	12,621,584	6,705,575	19,327,159	7,381,811	11,945,348
Building on free/leasehold land	434,644,504	281,791,511	152,852,993	431,391,705	240,805,023	190,586,682
Plant and machinery	1,118,881,669	644,316,881	474,564,788	1,113,572,690	617,094,073	496,478,617
	1,572,853,332	938,729,976	634,123,356	1,564,391,554	865,280,908	699,010,646

### 4.5 Capital work in progress - at cost:

Building - civil works

2018 Rupees	2017 Rupees
-	-

### The movement in Capital work in progress is as follows:

Balance at the beginning of the year

21,951,906

### Addition during the year:

Building - civil works

1,177,920

Plant and machinery

8,133,411

Water treatment plant

24,794,723

34,106,054

### Transfer to operating fixed assets:

Building - civil works

23,129,826

Plant and machinery

8,133,411

Water treatment plant

24,794,723

56,057,960

Balance at the end of the year

21,951,906

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>5 LONG TERM LOANS AND ADVANCES</b>			
<b>Loan to employees - secured</b>			
Executives	5.1,5.1.1,5.1.2	10,396,647	11,898,605
Other employees	5.1.1	11,681,758	2,145,099
		22,078,405	14,043,704
<b>Current portion of loans shown under current assets</b>			
Executives	10	2,032,499	1,198,442
Other employees	10	9,403,042	803,863
		(11,435,541)	(2,002,305)
		10,642,864	12,041,399
<b>5.1 Movement in loans to executives</b>			
Balance at the beginning of the Year		11,898,605	12,312,197
Amount disbursed during the year		3,080,547	2,695,463
Amount transferred to loan to employee	5.1.3	(1,614,003)	-
		13,365,149	15,007,660
Amount recovered during the Year		(2,968,502)	(3,109,055)
Balance at the end of the Year		10,396,647	11,898,605
5.1.1 These are interest free loans recoverable in monthly installments over a period of three years. These loans are secured against employees' retirement benefit obligation.			
5.1.2 Maximum amount due from executives during the year, calculated by reference to month-end balances, was Rs.11,330,385 (June 30, 2017: Rs.12,983,878).			
5.1.3 According to Companies Act, 2017 the threshold for the determination of executive for disclosure purposes has been increased from annual basic salary of Rs.0.5 million to Rs.1.2 million.			
<b>6 LONG TERM DEPOSITS</b>			
Security deposits		19,755,320	6,529,820
		19,755,320	6,529,820
<b>7 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores		16,425,122	6,829,887
Spare parts and loose tools		2,233,385	3,003,481
		18,658,507	9,833,368
7.1 No item of stores, spare and loose tools is pledged as security as at reporting date.			
<b>8 STOCK IN TRADE</b>			
Raw material		127,215,775	86,722,000
Work in process		130,350,178	81,676,886
Finished goods		101,552,063	106,132,700
Stock in transit-Raw material		624,000	3,967,500
Stock in transit-Finished goods		14,219,400	-
		373,961,416	278,499,086

## TOWELLERS LIMITED

	Note	2018 Rupees	2017 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 premises after the 30th June 2018 due to transportation period shown as 'Stock in transit'.			
<b>9</b>			
<b>TRADE DEBTS</b>			
<b>Secured against letter of credit</b>			
Foreign debts	9.1	252,888,528	220,283,574
<b>Unsecured- considered good</b>			
Foreign debts		-	-
Domestic debts		6,377	-
		6,377	-
		<u>252,894,905</u>	<u>220,283,574</u>
		<u>252,894,905</u>	<u>220,283,574</u>
9.1			
Foreign debts are secured against letter of credit.			
<b>10</b>			
<b>LOANS AND ADVANCES</b>			
<b>Loan to employees-Secured against gratuity</b>			
Executive - secured	5	2,032,499	1,198,442
Others - secured	5	9,403,042	803,863
		11,435,541	2,002,305
<b>Advances:</b>			
to suppliers		4,886,242	6,303,847
to contractors		355,301	2,807,558
		5,241,543	9,111,405
		<u>16,677,084</u>	<u>11,113,710</u>
10.1			
Loans given to employees are in accordance with the Company policy. These loans are return free and are secured against the gratuity of the respective employees.			
	Note	2018 Rupees	2017 Rupees
<b>11</b>			
<b>TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Security deposits		475,000	265,000
Prepayments		13,177,458	12,442,593
		<u>13,652,458</u>	<u>12,707,593</u>
<b>12</b>			
<b>OTHER RECEIVABLES</b>			
<b>Considered good</b>			
Export rebate		18,365,189	24,433,136
Drawback local taxes levies		122,171,610	73,723,265
Sales tax demand	12.1	33,460,882	33,460,882
		<u>173,997,681</u>	<u>131,617,283</u>



## TOWELLERS LIMITED

- 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 filled 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

20,456,017      10,229,985

Advance income tax

2,934,677      10,420,859

Provision for taxation adjusted against advance tax

(1,436,687)      (194,827)

Balance at the end of the Year

21,954,007      20,456,017

Sales tax refundable

69,932,882      94,759,304

91,886,889      115,215,321

### 14 CASH AND BANK BALANCES

Cash in hand

125,934      427,341

Cash at banks:

In current accounts

38,117,691      26,625,508

In saving accounts

68,336,289      135,258,530

14.1

106,453,980      161,884,038

106,579,914      162,311,379

- 14.1 It carries mark up at the rate of 3.75% to 5.75% (June 30, 2017 : 3% to 5.5%) per annum.

	Note	2018 Rupees	2017 Rupees
<b>15 NON-CURRENT ASSETS HELD FOR SALE</b>			
Balance at the beginning of the Year		13,775,094	13,775,094
Transfer from property plant and equipment		-	-
		<u>13,775,094</u>	<u>13,775,094</u>
Transfer to property plant and equipment		(13,775,094)	-
Balance at the end of the Year		<u>-</u>	<u>13,775,094</u>

- 15.1 No reasonable offer were received for the classified assets and now management is expected to get some export orders in next financial period. The same machinery is transferred to property plant and equipment.

### 16 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	2018	2017	2018	2017
Number of shares			Rupees	Rupees

## TOWELLERS LIMITED

9,372,247	9,372,247	Ordinary shares of Rs. 10 each allotted for consideration paid in cash	93,722,470	93,722,470
1,012,753	1,012,753	Ordinary shares of Rs. 10 each allotted as bonus shares	10,127,530	10,127,530
6,615,000	6,615,000	Ordinary shares of Rs. 10 each allotted for consideration against plant & machinery	66,150,000	66,150,000
<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

Balance at the beginning of the Year	597,265,397	623,181,201
Surplus on revaluation of land, building & plant and machinery	283,178,245	-
	880,443,642	623,181,201
Transfer to unappropriated profit in equity on account of incremental depreciation charged in profit and loss account	(31,011,564)	(25,915,804)
Balance at the end of the Year	<u>849,432,078</u>	<u>597,265,397</u>

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. Revaluation of land and building was carried out on August 05, 2017 by M/s. Iqbal A. Nanjee & company, an independent valuer which resulted a surplus of Rs. 283,178,245/

	Note	2018 Rupees	2017 Rupees
17.2 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the company in accordance with section 241 of the Companies Act, 2017.			
<b>18 LONG TERM FINANCINGS</b>			
<b>Loans from banking companies - secured</b>			
Bankislami (Formerly KASB Bank Limited) - NIDF	18.1	-	11,452,260
Silk Bank Limited - NIDF	18.2	-	1,676,493
Allied Bank Limited-TF	18.3	100,000,000	100,000,575
		100,000,000	113,129,328
Overdue installments shown under trade and other payables		-	(880,950)
Current portion shown under current liabilities		-	(12,247,803)
Waiver of loan		(100,000,000)	-
		(100,000,000)	(13,128,753)
		-	<u>100,000,575</u>

## TOWELLERS LIMITED

- 18.1 The total outstanding loan has been paid during the period now there is no liability against the 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 was secured by first joint pari passu equitable mortgage and hypothecation charge over fixed assets amounting Rs.59.20 million (2017:Rs.59.20 million). The process for the charge vacation is pending with the bankislami Pakistan to release all mortgage properties.
- 18.2 The total outstanding loan has been paid during the period now there is no liability against the 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 (2017:Rs.21.660 million). NOC for the charge vacation has been received and the process is pending with the custodian bankislami Pakistan.
- 18.3 The above loan has been paid according to agreed installment schedule described in restructuring agreement dated 6 October 2015 therefore Rupees 100 million as principal outstanding and Rs.134 million as mark-up outstanding has been reversed and written off by the Allied Bank Limited. The above loan was 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).

	Note	2018 Rupees	2017 Rupees
<b>19 LOAN FROM DIRECTORS AND OTHERS</b>			
Mrs.Mehreen Obaid Agha	19.1	1,458,339	3,958,335
		1,458,339	3,958,335
19.1 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.			
19.2 The loan agreement has been revised on 15th June 2017. Accordingly the loan is repayable on demand by the lender.			
<b>20 STAFF RETIREMENT BENEFITS - GRATUITY</b>		<b>2018</b>	<b>2017</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>20.1 Movement in the net liability recognized in the balance sheet</b>			
Opening net liability		104,152,562	139,288,394
Expense for the year	20.2	23,873,878	23,874,225
Remeasurement recognized in other comprehensive income		(822,599)	(42,979,056)
		127,203,841	120,183,563
Benefits paid during the year		(15,755,253)	(16,031,001)
Closing net liability		111,448,588	104,152,562
<b>20.2 Expense recognized in the profit and loss account</b>			
Current service cost		15,992,154	16,542,274
Interest cost		7,881,724	7,331,951
		23,873,878	23,874,225

## TOWELLERS LIMITED

	Note	2018 Rupees	2017 Rupees
<b>20.3 Movement in the present value of defined benefit obligation</b>			
Present value of defined benefit obligation		96,309,338	139,288,394
Current service cost		15,992,154	-
Interest cost		7,881,724	-
Actuarial (loss) / gain		(822,599)	(42,979,056)
Benefits paid		(15,755,253)	-
		103,605,364	96,309,338
<b>20.4 Historical information</b>			
		2018	2017
		2016	2015
		2014	2013
Present value of defined benefit		103,605,364	96,309,338
		139,288,394	89,125,705
		89,125,705	74,808,998
		74,808,998	68,450,000
<b>20.5 Reconciliation</b>			
Present value of defined benefit obligation		103,605,364	96,309,338
		103,605,364	96,309,338
<b>20.6 General description</b>			
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.			
<b>20.7 Principal actuarial assumption</b>			
Following are a few important actuarial assumption used in the valuation.			
		%	%
Discount rate		9.00%	8.65%
Expected rate of increase in salary		10.00%	10.00%
<b>20.8</b>			
Expected gratuity expense for the year ending June 30, 2019 works out to Rs.29,122,014.			
<b>21 TRADE AND OTHER PAYABLES</b>			
Trade Creditors		531,365,842	498,543,557
Accrued liabilities		42,380,409	10,945,601
Advances from customers		10,463,003	5,042,339
Overdue bank's installments		-	880,950
Workers' profit participation fund	21.1	14,716,104	4,616,989
Sales tax withholding payable	21.2	9,041	80,387
		598,934,400	520,109,823
	Note	2018 Rupees	2017 Rupees
<b>21.1 Workers' profit participation fund</b>			
Balance at the beginning of the Year		4,616,989	9,452,886
Interest on fund utilized in company's business		252,894	361,075
		4,869,883	9,813,961
Paid during the year		(4,869,883)	(9,813,961)
		-	-
Allocation for the year		14,716,104	4,616,989
Balance at the end of the Year		14,716,104	4,616,989

## TOWELLERS LIMITED

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
Waiver of mark-up	(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 has been written off.

### 23 CONTINGENCIES AND COMMITMENTS

#### 23.1 Contingencies

The Company filed CP No.D-6619 in the Sindh High Court on dated 31-10-2017 against the imposition of section 5A of income tax ordinance 2001 for the tax on undistributed profit. The Honourable Sindh High Court grant stay order and respondents have restrained for taking any action against the Company pursuant to the impugned ammendments in Finance Act 2017. Therefore no provision for the tax on undistribution profit has been recorded in this financial statement ending June 30, 2018.

#### Guarantee

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

Material	3,284,551	-
	3,284,551	-

	Note	2018 Rupees	2017 Rupees
<b>24 SALES - NET</b>			
Export	24.1	2,537,855,797	2,695,729,358
Local		6,389,546	530,915
Waste		5,640,469	5,529,579
		2,549,885,812	2,701,789,852
Rebate		104,347,053	59,863,615
Commission on exports		(23,250,414)	(43,839,913)
Discount on exports		(25,173,388)	(31,673,374)
		2,605,809,063	2,686,140,180

24.1 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rs.55.51 million (June 30, 2017: Rs. 33.00 million) has been included in export sales.

## TOWELLERS LIMITED

			2018	2017
	Note	Rupees	Rupees	
<b>25 COST OF SALES</b>				
Cost of goods manufactured	25	1,680,057,799		1,824,574,565
<b>Finished goods</b>				
Opening stock		106,132,700		100,660,600
Purchases		546,791,790		500,143,170
Stock in transit		(14,219,400)		-
Closing stock		(101,552,063)		(106,132,700)
<b>Cost of sales</b>		<b>2,217,210,827</b>		<b>2,319,245,634</b>
<b>25 Cost of goods manufactured</b>				
Raw material consumed	25.1.1	679,541,255		780,039,812
Purchase (semi finished goods)		245,820,217		182,448,040
Stores and spares consumed	25.1.2	1,981,528		20,265,429
Other manufacturing expenses	25.1.3	354,889,221		371,800,697
Salaries, wages and other benefits	25.1.4	246,409,139		241,967,005
Communication expenses		777,614		231,903
Conveyance		438,607		209,970
Utilities		71,295,647		85,632,640
Insurance		17,135,403		15,384,472
Repairs and maintenance		10,420,592		8,378,813
Oil and lubricants		393,980		1,630,319
Printing and stationery		1,586,401		1,530,426
Subscription, fees and taxes		4,360,797		4,977,127
Entertainment expenses		6,160,513		5,228,689
Vehicle running and maintenance		6,384,628		5,383,792
Depreciation	4.1	73,714,753		68,354,788
Other expenses		7,420,796		4,145,403
		<b>1,728,731,091</b>		<b>1,797,609,326</b>
			<b>2018</b>	<b>2017</b>
			<b>Rupees</b>	<b>Rupees</b>
<b>Work in process</b>				
Opening stock		81,676,886	108,642,125	
Closing stock		(130,350,178)	(81,676,886)	
		(48,673,292)	26,965,239	
		<b>1,680,057,799</b>	<b>1,824,574,565</b>	
<b>25.1.1 Raw material consumed</b>				
Opening stock		90,689,500	85,542,468	
Purchases - net		706,359,253	774,590,827	
Cartage-in		10,332,277	10,596,017	
		<b>807,381,030</b>	<b>870,729,312</b>	
Stock in-transit		(624,000)	(3,967,500)	
Closing stock		(127,215,775)	(86,722,000)	
		<b>679,541,255</b>	<b>780,039,812</b>	

## TOWELLERS LIMITED

### 25.1.2 Stores and spares consumed

Opening stock	9,833,368	17,394,468
Purchases - net	10,806,667	12,704,329
	20,640,035	30,098,797
Closing stock	(18,658,507)	(9,833,368)
	1,981,528	20,265,429

### 25.1.3 Other manufacturing expenses

Fabric dyeing and processing charges	222,377,627	243,117,854
Stitching charges	132,511,594	128,682,843
	354,889,221	371,800,697

25.1.4 Salaries, wages and other benefits includes Rs.12,536,376/- (June 30, 2017: Rs. 14,661,296/-) in respect of staff retirement benefits (gratuity).

### 26 DISTRIBUTION COST

Export development surcharge	6,208,483	6,622,501
Export freight	69,987,917	61,049,459
Clearing and forwarding	22,053,791	21,451,067
Marine insurance	2,072,540	3,937,716
Fair & exhibition	8,677,038	6,416,708
Other expenses	707,989	1,045,947
Travelling	32,686,091	17,350,193
	142,393,849	117,873,591

	Note	2018 Rupees	2017 Rupees
<b>27 ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration		24,073,618	21,756,600
Staff salaries and other benefits	27	102,232,114	89,848,574
Conveyance		87,060	81,550
Vehicle running and maintenance		6,732,421	6,019,580
Subscription, fees and taxes		9,765,570	4,485,564
Utilities		6,162,805	5,589,950
Printing and stationery		923,786	814,661
Legal and professional charges		1,055,914	1,831,863
Repairs and maintenance		2,241,685	3,234,339
Communication expenses		8,263,591	6,464,944
Entertainment		4,419,338	4,021,463
Office expenses		2,402,443	2,397,132
Insurance		7,636,642	4,986,334
Advertisement		340,131	182,382
Bad debt		-	69,085
Depreciation	4.1	8,214,603	8,160,103
		184,551,720	159,944,125

27 Staff salaries and other benefits includes Rs.11,337,502/- (June 30, 2017: Rs. 9,212,929/-) in respect of staff retirement benefits (gratuity).

## TOWELLERS LIMITED

### 27.9 OTHER OPERATING EXPENSES

Workers' profit participation fund	21.1	14,716,104	4,616,989
Auditors' remuneration	28	1,052,866	1,125,866
Sales tax demand		-	2,251,871
Donation	28.1	-	15,000
		15,768,970	8,009,726

### 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		125,000	175,000
Other services		45,250	68,250
		1,052,866	1,125,866

28.1 None of the directors or their spouses had any interest in donee fund.

	Note	2018 Rupees	2017 Rupees
<b>29 OTHER INCOME</b>			
<b>From financial assets</b>			
Profit on savings account		4,055,482	5,720,264
Workers welfare fund		-	6,419,593
Waiver of loan	18.3	100,000,000	-
Waiver of mark-up	22	134,214,818	-
<b>From other than financial assets</b>			
Gain on sale of property, plant and equipment	4.3	653,392	914,212
		238,923,692	13,054,069
<b>30 FINANCE COST</b>			
<b>Mark up / interest on</b>			
Workers' profit participation fund	21.1	252,894	361,075
Bank charges and commission		4,948,511	6,037,303
		5,201,405	6,398,378
<b>31 TAXATION</b>			
<b>Provision / reversal for taxation</b>			
Current year		24,924,914	25,479,154
Further tax		229,307	-
Sindh sales tax	31.3	845,836	548,500
		26,000,057	26,027,654

31.1 The provision for taxation has been made in these financial statements on the basis of section 169 of the Income Tax Ordinance, 2001.

31.2 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.

31.3 Sindh sales tax is non-refundable tax.



## TOWELLERS LIMITED

### 32 Earnings per share

#### Basic earnings per share

Profit for the year	Rupees	253,605,927	61,695,141
Weighted average number of ordinary shares outstanding during the year	Numbers	17,000,000	17,000,000
Profit per share - basic	Rupees	14.92	3.63

#### Diluted earnings per share

There were no convertible dilutive potential ordinary shares in issue as at June 30, 2018 and June 30, 2017.

### 33 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2018			2017		
	CEO	Directors	Executives	CEO	Directors	Executives
	Rupees			Rupees		
Managerial remuneration	4,539,070	19,534,548	23,881,997	4,170,120	17,586,480	30,339,660
Bonus	-	-	-	115,298	531,697	532,114
Utilities	-	2,470,914	635,530	-	2,055,344	926,256
Medical expenses	-	4,194,944	246,279	11,140	1,800,339	1,041,180
Fuel & maintenance	-	905,107	8,010	64,550	241,311	51,790
Others	-	1,098,398	163,145	64,550	553,603	126,762
	4,539,070	28,203,911	24,934,961	4,425,658	22,768,774	33,017,761
Number of persons	1	5	8	1	5	20

- 33.1 The Chief Executive and Directors are using personal cars but the fuel and maintenance paid by the company and Executives are provided with free use of Company's maintained car. Reimbursement of utility bills at Directors & Executives residence as per Company policy.

### 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		
Salaries and other benefits	Key management personnel	32,742,981	27,194,432
Loan repay to C.E.O	Key management personnel	2,499,996	1,214,789

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.

### 35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company has exposures to the following risks from its use of financial instruments.

- 35.1 Credit risk
- 35.2 Liquidity risk
- 35.3 Market risk

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.

# TOWELLERS LIMITED

## 35.1 Credit risk

### 35.1.1 Exposure to credit risk

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 530.07 (June 30, 2017: Rs. 556.60 million), financial assets which are subject to credit risk aggregate to Rs. million 530.07 million (June 30, 2017: Rs. 556.60 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	10,642,864	12,041,399
Long term deposits	6	19,755,320	6,529,820
Trade debts	9	252,894,905	220,283,574
Loans and advances	10	16,677,084	11,113,710
Trade deposits and short term prepayments	11	13,652,488	12,707,593
Other receivables	12	173,997,681	131,617,283
Cash and bank balances	14	106,579,914	162,311,379
		594,200,226	556,604,757

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

		2018 Rupees	2017 Rupees
Domestic	9	6,377	-
Export	9	252,894,905	220,283,574
		252,901,282	220,283,574

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

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

	Gross debtors	
	2018	2017
	Rupees	
Not past due	250,205,872	196,979,893
Past due 0 - 30 days	2,682,656	21,814,452
Past due 31 - 90 days	6,377	1,489,230
Past due 91 days - 1 year	-	-
More than one year	-	69,085
	252,894,905	220,352,660
Impairment	-	(69,085)
	252,894,905	220,283,575

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.

	Note	2018 Rupees	2017 Rupees
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### 35.2 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.

2018					
Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
Rupees					

# TOWELLERS LIMITED

**Non - derivative  
Financial liabilities**

Long term financings	100,000,000	-	-	-	-	-
Trade and other payables	598,934,400	598,934,400	598,934,400	-	-	-
Accrued mark up and interest	-	-	-	-	-	-
	<b>698,934,400</b>	<b>598,934,400</b>	<b>598,934,400</b>	-	-	-

2017

Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
<b>Rupees</b>					

**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	-	-	-
	<b>767,453,969</b>	<b>828,319,908</b>	<b>663,947,341</b>	<b>19,245,400</b>	<b>96,227,000</b>	<b>48,900,166</b>

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.

**35.3 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 to 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 2018				252,894,905
Trade debts 2017	1,851,016	59,850	140,159	220,283,574

The following significant exchange rates applied during the year.

	Average rates		Reporting date rates	
	2018	2017	2018	2017
US Dollar to Rupee	114.21	104.65	123.61	104.80

**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.

	2018 Rupees	2017 Rupees
US Dollar	-	(10,285,001)

Note	2018 Rupees	2017 Rupees

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

# TOWELLERS LIMITED

	Note	2018 Rupees	2017 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 PLS 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

100,000,000      113,129,328

#### Variable rate instruments

Financial assets

68,336,289      135,258,530

Financial liabilities

600,392,739      524,068,158

#### 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 2018	6,003,927	(6,003,927)	-	-
Cash flow sensitivity - variable rate instruments 2017	5,240,682	(5,240,682)	-	-

### 35.4 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.

### 35.5 Off balance sheet items

Bank guarantees issued in ordinary course of business

9,405,000      9,405,000

### 35.6 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.

		2018	2017
Borrowings	Rupees	100,000,000	113,129,328
Total equity	Rupees	1,626,000,603	491,128,435
Total capital employed	Rupees	1,726,000,603	604,257,763
Gearing ratio	Percentage	5.79	18.72

	Note	2018 Rupees	2017 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:

# TOWELLERS LIMITED

-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.

## 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

### 39.1 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.

### 39.2 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.

### 39.3 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.

### 39.4 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.

## 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:

	2018	2017
Total number of employees as at June 30-Factory	699	685
Total number of employees as at June 30-Other	95	93
<b>Total</b>	<b>794</b>	<b>778</b>
Average Number of Employees during the year-Factory	692	702
Average Number of Employees during the year-Other	94	92
<b>Total</b>	<b>786</b>	<b>794</b>

## 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:

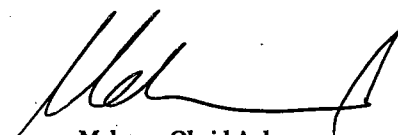
Note	Reclassification		Nature	Rupees
	From	To		
12	Duty drawback taxes (DDT)	Drawback local taxes levies-	Other receivable	36,293,127
15	Non-current assets held for sale	Property, plant & equipment	Held for sale	13,775,094

## 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 19, 2018 by the board of directors of the company.

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
M. Farzan Ktiba  
Chief Financial Officer

Karachi, September 19, 2018

**TOWELLERS LIMITED**

**PATTERN OF HOLDING OF THE SHARES HELD BY  
SHAREHOLDERS AS ON JUNE 30, 2018**

**AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE**

Number of SHAREHOLDERS	SHARE HOLDINGS		TOTAL SHARES HELD
	From	To	
506	1	100	3064
51	101	500	19266
19	501	1000	15018
27	1001	5000	70098
4	5001	10000	34000
1	10001	15000	15000
3	15001	20000	50800
1	25001	30000	30000
1	30001	35000	33100
1	35001	40000	35953
1	55001	60000	59000
1	60001	65000	62186
1	80001	85000	82800
1	100001	105000	101700
1	125001	130000	129759
1	265001	270000	268500
1	355001	360000	357000
1	435001	440000	440000
2	465001	470000	937648
1	525001	530000	526000
3	2455001	2460000	7379247
1	2465001	2470000	2467043
1	3880001	3885000	3882818
630			17000000

**CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2018**

	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE OF HOLDING
1	GENERAL PUBLIC (LOCAL)	612	15720125	92.4713
2	GENERAL PUBLIC (FOREIGN)	5	2316	0.0136
3	CORPORATION	4	50800	0.2988
4	INSURANCE COMPANIES	2	655759	3.8574
5	PUBLIC SECTOR COMPANIES	5	29300	0.1724
6	OTHERS	2	541700	3.1865
	COMPANY TOTAL	630	17000000	100.0000

## TOWELLERS LIMITED

### CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2018

Categories of Shareholders	No. of Share holders	Shares Held	Percentage
<b>DIRECTORS, CEO &amp; RELATIVES</b>			
Ms. Surraya 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
<b>CORPORATION</b>			
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
<b>INSURANCE COMPANY</b>			
National Insurance Company Ltd	1	526,000	3.0941
Pakistan Reinsurance Company Ltd	1	129,759	0.7633
<b>PUBLIC SECTOR COMPANIES</b>			
Y.S. Securities & Services Pvt Ltd	1	1,000	0.0059
DJM Securities (Private) Limited	1	18,000	0.1059
Oriental Securities Pvt Ltd	1	2,800	0.0165
Growth Securities (Private) - MF	1	7,000	0.0412
MRA Securities Limited - MF	1	500	0.0029
<b>GENERAL PUBLIC</b>			
LOCAL	604	1,455,383	8.5611
FOREIGN	5	2,316	0.0136
OTHERS	2	541,700	3.1865
<b>Total</b>	<b>630</b>	<b>17,000,000</b>	<b>100.000</b>

#### SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING RIGHTS 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

## **CORPORATE GOVERNANCE**

### **CORPORATE SOCIAL RESPONSIBILITIES**

We are also committed to corporate social responsibility (CSR) and integrating sound social practices in our day to day business activities. CSR is an important part of who we are and how we operate. We measure our success not only in terms of financial criteria but also in building customers satisfaction and supporting the communities we serve, company is fully aware of its corporate social responsibility and has been working positively to raise the educational, health and environmental standards of the country in general and local communities particular. Company is extensively supporting various education and health projects.

### **HEALTH, SAFETY AND ENVIRONMENT**

The management of the company is aware of its responsibility to provide a safe and healthy working environment to our associates and give highest priority to it. Our safety culture is founded on the premises that all injuries are preventable if due care is taken for the provision of safe and healthy working for our employees. We follow up and investigate on all incidents and injuries to address their root causes we will continue to take step to improve the safety and health of our associates. Due to these controls and with the blessings of Almighty Allah, no major accident or incident took place at our factories.

### **HUMAN RESOURCE**

Our employees are our greatest assets and the key strength of our business. Towellers firmly believe in nurturing, investing in and promoting its employees. The management of the company is committed to excellence and has a clear vision that human resources and strong leadership practice are important enablers of high productivity and sustainable competitive advantage of our company. Therefore, the management of the company gives much importance to the optimal use of human resources by way of trainings and proper guidance for the employees.

### **ENVIRONMENT PROTECTION – WATER RECYCLING PLANT**

Due to the change in global climate condition it is estimated that Pakistan will experience water scarcity in the coming year making it imperative that water used to be minimized and water recycling initiative implemented. Our water management practice is based on principle including efficient usage, pollution, prevention and maximizing reusing and recycling. Textile manufacturing specially dyeing and printing processes can cause significant harm to environment if adequate measures are not taken to mitigate hazardous effect of textile process the company is deeply concerned and has established effluent treatment plant at its dyeing, printing and garments manufacturing facilities. Waste water treatment plant at our manufacturing facility are designed and operated to meet and exceed environmental standard, securing the health of our employees and local eco system to reduce cost of water and waste water treatment capital equipment cost, handling and use of potential hazardous chemicals.

### **WISTLEBLOWING POLICY**

The company is committed to create an atmosphere ensuring accountability and integrity and its conduct. A whistleblowing policy has been in place as part of company's efforts to provide a mechanism for raising alert against any wrongdoing malpractice or impropriety. This is intended to further improve governance and service quality. The policy set out the procedures for lodging of concern by the employees, handling of concern by the organization, reporting requirement, and protection of whistleblower and periodic monitoring of the policy. The employees are encouraged to use the guidance provided by the program.

### **INSIDER TRADING**

Company has taken definitive steps in ensuring that all employees, officers, members of the Board and all such relevant persons follow strict guidelines while trading in the shares of the company. No employee or his/her spouse will transact in the shares of the company during the close period prior to the announcement of financial results. Employees categorize as executive according to the requirement of code of corporate governance should also inform the management immediately about any transaction perform by them and their spouse other than during the close period.

### **BLOOD DONATION CAMP**

Blood donation camp was organized in the company in collaboration with Indus Hospital, the Indus Hospital blood center is the first centralized regional blood center of Pakistan with a vision to provide safest possible blood and by products by meeting international standard.

### **POLICY FOR SAFEGUARDING OF RECORDS**

Company policy for safety of records extend beyond the regulatory requirements, and falls in the ambit of a comprehensively formulated business continuity planning which provide for preservation of company record of significant or permanent value for periods exceeding the legal stipulated timeframe in an efficient, secure and easy to retrieve manner.

### **INFORMATION TECHNOLOGY**

We are committed to the process of upgrading and enhancing our IT infrastructure and moving towards greater process automation. Additionally, we remain focused on working closely with end users in studying their day to day activities and finding opportunities to streamline various tasks in this regard.



# 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 Act, 2017.

\_\_\_\_\_  
Shareholder's signature

# TOWELLERS LIMITED

## IMPORTANT NOTES FOR THE SHAREHOLDERS

Dear Shareholder(s)

Please go through the following notes. It will be appreciated if you please respond to your relevant portion at the earliest:

### 1. Withholding of Payment of Dividend – CNIC Requirement:

The Securities and Exchange Commission of Pakistan (“SECP”) has made it mandatory for listed companies to mention, in the case of Individuals, Computerized National Identity Card (“CNIC”), or passport number and in the case of Corporate Entity, National Tax Number (“NTN”) of the shareholders or their authorized persons, on dividend warrants. In the absence of such information payment of dividend will be withheld in terms of the provisions of the Companies Act, 2017 (“Act”) stating that a company may withhold the payment of dividend of a member where the member has not provided the complete information or documents as specified by SECP. Therefore, shareholders who have not yet provided such information are once again advised to provide the same to the Share Registrar of the Company.

### 2. Deduction of Withholding Tax on the Amount of Dividend at Revised Rates:

The Government of Pakistan through Finance Act, 2017, has made amendment in Section 150 of the Income Tax Ordinance, 2001, whereby, withholding tax on dividends has been enhanced as follows:

- For Filers of Income Tax Returns: 15.0%
- For Non-Filers of Income Tax Returns: 20.0%

In case of joint-shareholders, tax is to be deducted as per ratio of their respective share in the ownership.

Federal Board of Revenue (“FBR”) has provided the Active Tax-payer List (“ATL”) for identification on the basis of NTN/CNIC number; hence, in case of non-availability of valid NTN/CNIC number with Company Share Registrar, the shareholder will be treated as ‘Non-Filer’ and accordingly tax at the rate of 20% would be deducted. Therefore, shareholders who have not yet provided such information are requested to ensure that their valid NTN/CNIC number is available with the Share Registrar of the Company. Shareholders having CDC Accounts are required to provide their valid NTN/CNIC number to their respective participants.

### 3. Deduction of Withholding Tax on Joint Account Holder(s):

The Joint Account Holders whose shareholding details as to Principal Shareholder have not yet been determined for deduction of withholding tax, are requested to please furnish to the Share Registrar of the Company the shareholding details of yourself as Principal Shareholder and your Joint Holder(s) in the following manner, to compute withholding tax of each shareholder accordingly:

## TOWELLERS LIMITED

CDC Account No./Folio No.	Name of Principal Shareholder/Joint Holders	Shareholding Proportion	CNIC No. (Copy attached)	Signature

Kindly note that in case of non-receipt of the information each shareholder will be assumed to hold equal proportion of shares and the deduction will be made accordingly.

#### 4. Deposit of Physical Shares into CDC Account:

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form, this will facilitate them in many ways including safe custody and sale of shares, any time as the trading of physical shares is not permitted as per existing regulations of the Exchange. Further, Section 72 of the Act states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act.

#### 5. Unclaimed Dividend / Shares :

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividends and shares, shall be delivered to the SECP.

#### 6. Change of Address / E-mail Address

All registered shareholders should send information of changes of addresses and e-mail address, if any to the share registrar of the Company:

While sending of NTN/CNIC number, shareholders are requested to quote their respective Folio/CDC Account Numbers for identification purpose.

For any query/problem/information, Members may contact the Company Secretary at phone no. 021-36313222, email [farhan@towellers.com](mailto:farhan@towellers.com) and/or THK Associates Pvt Ltd Head Office 1<sup>st</sup> Floor, 40-C Block-6, P.E.C.H.S Karachi. At phone no. 92 (021) 111-000-322, 92 (021) 34168266-68 email, [secretariat@thk.com.pk](mailto:secretariat@thk.com.pk)

**Investor Relations**

**Registered Office**  
Towellers House  
WSA, 30-31,  
F.B. Area  
Karachi

**Share Registrar**  
THK (Pvt.) Limited  
1<sup>st</sup> Floor, 40-C,  
Block-6, P.E.C.H.S.,  
Karachi-75400  
Tel: +92-21-34168270  
Fax: +92-21-34168271  
Email: secretariat@thk.com.pk

Share transfers, dividend and all other investor related matters are attended to and processed by Company's Share Registrar.

**Investor Relations Contact**  
M. Farhan Adil  
Email: [farhan@towellers.com](mailto:farhan@towellers.com)

**Financial Calendar**  
The Company follows the period of July 1 to June 30 as the Financial Year.  
For the Financial Year 2018-2019, financial results will be announced as per the following tentative schedule:

1 <sup>st</sup> Quarter ending September 30, 2018	Last week of October 2018
2 <sup>nd</sup> Quarter ending December 31, 2018	Last week of February 2019
3 <sup>rd</sup> Quarter ending March 31, 2019	Last week of April 2019
4 <sup>th</sup> Quarter ending June 30, 2019	Fourth week of September 2019

**Listing**  
Ordinary shares of the Company are listed on the Pakistan Stock Exchange.

**Stock Code**  
The stock code for trading in ordinary shares of the Company at the Pakistan Stock Exchange is TOWL.

**Statutory Compliance**  
The Company is in compliance with applicable provisions of the Companies Act 2017, as replaced by the Companies Ordinance 1984, as well as circulars/mandates issued thereunder, the Regulations of the Securities and Exchange Commission of Pakistan and the Listing Rules of the Pakistan Stock Exchange.

**Annual General Meeting**  
The Annual General Meeting of the Company will be held on October 24, 2018 at 3:30 p.m. at Towellers House WSA 30-31, Block-I F.B. Area Karachi.

Any shareholder may appoint a proxy to attend and vote at the meeting on his/her behalf. Proxies must be filed with the Company at least 48 hours prior the meeting.

CDC shareholders or their proxies are requested to bring copies of their Computerized National Identity Card along with the participants ID number and their account number at the meeting in order to facilitate their identification procedure.

**Book Closure**  
Share transfer Books of the Company will remain closed from October 17, 2018 to October 24, 2018 (both days inclusive).

**Web Presence**  
Updated information regarding the Company can be accessed at its website [www.towellers.com](http://www.towellers.com). The website contains the latest financial information of the Company.

# **TOWELLERS LIMITED**

## **TOWELLERS LIMITED** **ELECTRONIC PAYMENT OF CASH DIVIDEND INSTEAD OF PHYSICAL DIVIDEND WARRANT** **WITH REFER TO SECP CIRCULAR NO. 18 OF 2017**

Electronic Payment of Cash Dividend (e-dividend) in accordance with the requirement of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulations, 2017, shareholders are requested to provide their CNIC's and bank account detail including name of the bank, address of bank branch and International Bank Account Number (IBAN) to receive their cash dividend directly into their bank account instead of receiving it through dividend warrants. Therefore, all individual members who have not yet provided their CNIC and Bank Account details are once again requested to submit a copy of their CNIC and duly filled Dividend Bank Mandate form to the Share Registrar or to the Company. In the absence of valid bank account details and CNIC, dividend amount will be withheld in compliance with the afore mentioned provisions of Companies Act, 2017 Regulations.

The members who hold shares in dematerialized form are requested to submit the dividend bank mandate form duly filled to their participant/investor account services in the CDC.

### **SHAREHOLDERS PARTICULARS FOR ELECTRONIC TRANSMISSION OF CASH DIVIDEND**

I/We/Messers \_\_\_\_\_

Being a/the shareholder(s) of Towellers Limited (the "Company") hereby authorize the Company to directly electronically transmit of all future cash dividends, in the bank account bearing the details stipulated below:

Name of Shareholder \_\_\_\_\_

Folio no./CDC Participant ID and Account no.: \_\_\_\_\_

Contact no.: Cell: \_\_\_\_\_ Landline: \_\_\_\_\_

Email address: \_\_\_\_\_

Name of Bank: \_\_\_\_\_

Branch and mailing address of Bank: \_\_\_\_\_

IBAN No.: \_\_\_\_\_

Title of Account: \_\_\_\_\_

CNIC no.: \_\_\_\_\_

NTN no.: (in case of corporate entity): \_\_\_\_\_

I/we hereby undertake that the above stipulated particulars provided by me/us are correct to the best of my/our knowledge. I/we shall keep the Company / Participant / CDC Investor Account services apprised of any change in the particular stated herein above and I/we hereby indemnify the Company against any ramification, of any failure on my/our part to do so.

\_\_\_\_\_  
Signature of shareholder(s)

**Note:** Please provide complete IBAN no. after confirming the same with your concerned bank branch to enable electronic transmission of cash dividends into your bank account. The payment of cash dividend shall be processed on the basis of information provided by the shareholder(s).

The Company shall not be responsible for any loss/damage/liability/claim arising, directly and/or indirectly, from any error, delay and/or failure on the part of the shareholder(s) in its obligations hereunder.

Also please note that all those shareholders who have already provided their mandate are requested to check correctness and activeness of their bank accounts for credit of their future cash dividend(s) without any delay and complications.

# TOWELLERS LIMITED

## Request for Video Conference Facility for General Meeting

Date: \_\_\_\_\_  
To:  
The Company Secretary  
Towellers Limited  
WSA, 30,31 Block No-1  
F.B. Area, Karachi.

Dear Sir,

I Mr./Mrs./Ms. \_\_\_\_\_ S/O, W/O, D/O \_\_\_\_\_  
with following particulars hereby wish to opt for video conference facility for attending General Meeting at \_\_\_\_\_

Shareholder's Detail	
Name of the shareholder	
Folio No. /CDC Participant ID A/c No.	
Land Line Phone Number	
Cell Number	
Email Address	

It is stated that the above-mentioned information is correct, and I will timely intimate any sort of change in these particulars to the Bank.

\_\_\_\_\_  
Signature of the Shareholder

Note:

As per SRO No. 10 of 2014 dated May 21, 2014 issued by Securities and Exchange Commission of Pakistan (SECP):

1. Members can avail video conference facility in the city where facility can be provided keeping in view geographical dispersal of members. So, this request form duly filled by the shareholders is required to be submitted to the Company Secretary of the office 10 days before holding of General Meeting.
2. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days before the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.
3. The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

# TOWELLERS LIMITED

**BALLOT PAPER FOR VOTING THROUGH POST FOR POLL TO BE HELD ON OCTOBER 24<sup>TH</sup> 2018 AT 3:30 PM AT WSA, 30-31, BLOCK NO.1 F.B. AREA KARACHI**

## TOWELLERS LIMITED

Website Address: [www.towellers.com](http://www.towellers.com)

Email address: [electionofdirectors@towellers.com](mailto:electionofdirectors@towellers.com)



Signature of shareholder(s)

Place: \_\_\_\_\_

Date: \_\_\_\_\_, 2018

### NOTES:

1. Dully filled postal ballot should be sent to Chairman of the Company at W.S.A. 30, 31. F.B. Area Karachi,
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach Chairman of the meeting on or before October 17<sup>th</sup> 2018. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. In case of foreign members and representatives of a body corporate, corporation and Federal Government, acceptability of other identification documents in lieu of CNIC shall be approved by the Board of the Company.
7. A member shall have such number of votes as is equal to the product of the number of voting shares or securities held by him and the number of directors to be elected.
8. A member may give all his votes to a single candidate or divide them between more than one of the candidates in such manner as he may choose.

# TOWELLERS LIMITED

## ٹاورز لمیٹڈ

بلٹ ہیجبرائے حق رائے دہی بزرگوں کا انتخاب منفقہ تاریخ 17 اکتوبر 2018  
 رومی 3:30 بجے بمقام ٹاورز لمیٹڈ بلڈنگ ایس اے 31-30 بلاک نمبر 1، نیفول ملی ایریا کراچی

ویب سائٹ: www.towellers.com

ای میل: electionofdirectors@towellers.com

ماہی حصص اور مشترکہ مالکین حصص کا اے	نام
رجسٹر میں درج شدہ ہے	
تعمیل شدہ حصص کی تعداد اور ڈیپازٹ	
کیپٹل انویسٹمنٹ کی شناختی کارڈ نمبر (شناختی کارڈ کی نقل بھی منسلک کریں)	
مزید معلومات اور دستاویزات	
بصورت نمائندہ کارڈ پورٹ ادارہ	
کارپوریشن اور وفاقی حکومت	

نمبر شمار	ڈائریکٹرز کا نام	ڈائریکٹر کے حق میں حق رائے دہی استعمال کرنے کیلئے عام حصص کی تعداد	ووٹوں کی تعداد (حق رائے دہی کیلئے حصص کی تعداد پر منتخب کئے جانے والے ڈائریکٹروں کی تعداد)

دستخط رائے دہی (داران)

تاریخ: 2018

اہم نکات

- 1- تمام درخواستیہ پوزیشنل بلٹ کینی کے جبر میں کون electionofdirectors@towellers.com.pk پر ارسال کیا جائے۔
- 2- پوزیشنل بلٹ فارم کے ساتھ کیپٹل انویسٹمنٹ کی شناختی کارڈ کی نقل لازماً منسلک کی جائے۔
- 3- پوزیشنل بلٹ فارم جبر میں کون ادا اعلان مورخہ 17 اکتوبر 2018 تک موصول ہو جانے چاہئیں۔ تاریخ ختم ہونے کے بعد موصول ہونے والے پوزیشنل بلٹ حق رائے دہی کیلئے لاؤٹ نہیں ہوئے۔
- 4- پوزیشنل بلٹ پر کئے گئے دستخط کارڈ کے میں مطابق ہونا لازم ہے۔
- 5- ایسے بلٹ ہیجبرائے دستخط کر دیا جائے گا جن پر دستخط ناہوں صحیح معلومات پر ناہوں، جن کا چہرہ اگڑا ہوا ہو یا پہنے ہوئے ہوں یا تحریر لکھی گئی ہو۔
- 6- بصورت غیر ملکی ممبران یا نمائندگان برائے کارپوریشن ادارے، کارپوریشن یا وفاقی حکومت شناخت ثابت کرنے کیلئے قومی شناختی کارڈ کی چکر دیکر شناختی دستاویزات کو کینی کے بورڈ کی منظوری کے بعد ہی قبول کیا جائے گا۔
- 7- حق رائے دہی استعمال کرنے کیلئے ایک ممبر اس انداز سے ووٹ استعمال کرے گا کہ ووٹوں کی تعداد حصص ایکٹور بزرگ رائے دہی اور منتخب کئے جانے والے ڈائریکٹروں کی تعداد کے درمیان فرق کے برابر ہوگی۔
- 8- کوئی بھی ممبر اپنے تمام ووٹ ایک ہی جگہ سے دے سکتا ہے اور اگر چاہے تو اپنی مرضی کے مطابق انہیں کسی امیدواروں میں تقسیم بھی کر سکتا ہے۔



# TOWELLERS LIMITED

ڈائریکٹر رپورٹ  
محترم ممبران گرامی  
السلام علیکم

یورو آف ڈائریکٹرز کی جانب سے اجماعی سرٹ کیساتھ آپ کی خدمت میں کھیتی آڈیٹ رپورٹ کی دستاویزات برائے سال 30 جون 2018ء پیش کی جارہی ہے، یہ مالیاتی کوٹھارے سے ترمیم شدہ اور ترمیم شدہ اور کھیترا ایکٹ 2017ء کے 5 لونی ضابطوں اور سیکشن 227 کو مد نظر رکھتے ہوئے تیار کیے گئے ہیں۔

## جائزہ

ذریعہ حصر کے دوران آپ کی کھیتی کی جانب سے 2,605,809 ملین روپے کا کاروباری حجم بریکارڈ کیا گیا ہے جو کہ گزشتہ سال اسی مرحلے کے دوران 2,686,686 ملین روپے کا کاروباری حجم بریکارڈ کیا گیا تھا مجموعی طور پر ملک کی معاشی صورت حال میں استحکام پایا گیا محدود بنانے پر سیاسی عدم استحکام نے بھی سراٹھایا لیکن اس صورت حال میں چند دیگر عوامل کی وجہ سے کمزوری پیدا ہوئی، جن میں پاک بینکنگ معاشی ماہوار کی اہمیت کو عالمی سطح پر حلیم کیا جانا اور فرانسیسی کے ممبران میں کمی شامل ہے۔

ECC کی جانب سے سٹاکس اور رورڈ شدہ پر جانور شیم ڈیوٹی واپس لینے کے فیصلے کے نفاذ کے بعد لاگت برائے پیدوار کو کم کرنے میں مدد ملی لیکن پاکستانی کرنسی کی شرح سادہ لچا چا تک آنے والی کی وجہ سے پیدوار کی لاگت میں اس مرحلے میں اضافہ ہو گیا جو کہ وہاں مالی سال کے دوران 10 فیصد روپے کا ریکارڈ کیا گیا ہے۔

لاگت برائے ترسیل مال میں خاطر خواہ اضافہ ریکارڈ کیا گیا ہے برآمدات بڑھنے کی وجہ سے ٹریڈ کریڈٹ میں اضافہ تھا، کھیتی کی جانب سے انتظامی امور کے اخراجات کو کنٹرول کیا جا رہا ہے اور اس ضمن میں صرف ایسے اخراجات میں اضافہ ہوا ہے جو کہ انتظامیہ کے اختیارات سے باہر ہیں جیسا کہ فراہم کردہ راولد میں کے اخراجات وغیرہ، آپ کی کھیتی کا ایسٹریٹس معائنہ 253 ملین رہا جس کے نتیجے میں فی ہسٹ آڈن 14.92 روپی (2017-2018) 3.84 روپے رہی ہے۔

تفصیلی شدہ رورڈ ہری سٹیج کے تحت حاصل ہونے والی ریڈیٹ DLT آڈن سے بھی دیگر آڈن کی مد میں اضافہ ہوا ہے جو کہ 104 ملین ہے، کھیتی نے پرنسپل بنایا اجات کے خلاف 100 ملین کا حق حاصل کیا ہے اور 13 ملین بینک سے ہے، ہانک آپ کی مد میں جو کہ گزشتہ اجات میں شامل ہے ہم اس بات پر یقین رکھتے ہیں کہ حکومت کی جانب سے نظر ثانی شدہ رورڈ ہری سٹیج اور نرم شرائط پر اپنی سہولتوں کی طرف رجوع ہونے کی وجہ سے کھیتی کی پیدوار میں کٹ گھٹال کی پیدوار سے کھیتی کے خاطر خواہ موقع پیدا کرنے کی بجائے برآمدات میں کٹ گھٹال کی صنعت کا حصہ بننے سے بڑا ہے اس طرح یہ اقدامات مجموعی طور پر کھیتی کو سہارا دینے میں بھی معاون ثابت ہوئے۔

## مالیاتی کارکردگی

کھیتی کے اہم ترین مالیاتی نتائج برائے سال 30 جون 2018ء کا تفصیلی جائزہ پیش درج ہے۔

30 جون 2018ء	30 جون 2017ء	
Re (000)		
2,605,809	2,686,140	۱۔ کل فروختی
388,598	366,895	۲۔ خام منافع
142,394	117,874	۳۔ لاگت برائے ترمیم مال
184,542	159,944	۴۔ لاگت برائے انتظامی امور
15,769	8,010	۵۔ دیگر پریسنگ آلات
238,924	13,054	۶۔ دیگر آمدن
5,201	6,398	۷۔ ٹیکس لاگت
279,606	87,723	۸۔ نفع (تقصان) نقل و حرکت
253,606	61,695	۹۔ نفع (تقصان) برائے مدتوں
14.92	3.83	۱۰۔ آمدن فی حصص (روپے میں)

## ترتیب حصہ داری

کھیتی ایکٹ کے سیکشن 227(2)(F) اور گورڈ آف کورپوریشن گورنس کی شرائط کے مطابق کھیتی کی ترتیب حصہ داری کی رپورٹ برائے سال 30 جون 2018ء کیساتھ منسلک ہے۔

## ڈائریکٹر ٹریننگ

کھیتی کے تین ڈائریکٹرز کو ڈی سی ای کے معیار کے تحت قدرتی مریٹیکس پی سی جی سے حاصل کیا گیا ہے تمام ڈائریکٹران اپنے فرائض کو حسن طریقے سے سرانجام دینے کیلئے کام صرف تربیت یافتہ ہیں بلکہ کھیتی ایکٹ 2017ء کے تحت اپنے فرائض کو ذمہ داریوں سے بخوبی آگاہ ہیں۔

## ٹریڈنگ

کھیتی کے حصص کی خرید و فروخت منظم طریقے سے ڈائریکٹر سی ای او، سی ای او اور کھیتی ٹیکریٹری اور ان کی ایلیٹیاں میں کی ہے۔

## ڈویڈنڈ

بچوں اور مالیاتی اداروں کی (قرض دہندگان) کی ادائیگی کی وجہ سے ڈائریکٹر اس سال کسی بھی قسم کا منافع دینے سے قاصر ہیں۔

## الیکشن آف ڈائریکٹر

اکتوبر 2018ء کو ختم ہونے والے یورو آف ڈائریکٹرز کی مدت ختم اور اسی سال کے دوران ڈائریکٹروں کا انتخاب ہوا ہے۔

## چینرمین جائزہ

کھیتی کی اس سالانہ رپورٹ میں چھتر تین جائزہ رپورٹ شامل ہے جنہیں ڈائریکٹر اس کے مندرجات کی جماعت کرتا ہے۔

## آڈیٹر

کھیتی کے تحت ہونے والے آڈیٹرز کے معیار کے مطابق ایڈیٹرز کو چار ڈیٹا کا ڈیٹا سے اگلی مدت کے اہل ہونے کے سبب دوبارہ تقرری کیلئے منظوری ہے، آڈیٹ کھیتی کی مجموعی یورو آف ڈائریکٹرز کے والے سالانہ اجلاس میں میسرز دستاویز ایڈیٹرز کو چار ڈیٹا کا ڈیٹا سے اگلی مدت کے اہل ہونے کے سبب دوبارہ تقرری کیلئے منظوری کی سفارش کرتا ہے۔

## اظہار تشکر

اس موقع سے فائدہ اٹھاتے ہوئے آپ کے ڈائریکٹر تمام شرکاء اداروں کی جانب سے بھرپور حمایت و حوصلہ افزائی کیلئے جدول سے ان کے نام ذکر ہیں ہم اس بات کو ریکارڈ کا حوصلہ جاتے ہوئے اس کھیتی کے ہر رکن کی انتظامیہ اور ان کی جانب سے بھرپور راجحاس کی گواہیوں سے سراپے ہیں اور حصد داران کے بھی بے حد شکور ہیں ان کی جانب سے ہمیشہ کھیتی پر اعتماد اور یقین کا اظہار کیا جاتا ہے۔

چیف ایگزیکٹو آفیسر

ڈائریکٹر

تاریخ: 19 ستمبر 2018ء کراچی

**اطلاع برائے سالانہ اجلاس عام**

بذریعہ نوٹس بلو مطلع کیا جاتا ہے کہ ٹاؤلرز لمیٹڈ کا چھٹا ایسوس (45) سالانہ اجلاس عام، 24 اکتوبر 2018ء بروز بدھ، 3:30 بجے دوپہر، بمقام ڈبلیو ایس اے، 31-30، بلاک-1، فیڈرل بی ایریا، کراچی، مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا:

**عمومی کارروائی:**

- 1- 26 اکتوبر، 2017ء بروز جمعرات، منعقد ہونے والے چوالیسویں (44) سالانہ اجلاس عام کی کارروائی کی تصدیق اور منظوری دینا۔
- 2- غرض مختصراً 30 جون، 2018ء کیلئے کمپنی کے ڈائریکٹرز، آڈیٹرز کی رپورٹ اور کمپنی کے آڈیٹرز اکاؤنٹس کی رپورٹ کو وصول کرنا وغیرہ خوش کرنا اور منظوری دینا۔
- 3- کمپنی ایکٹ 2017 کے سیکشن 159 کے تقاضے کے مطابق بورڈ کی مقرر کردہ تعداد کے مطابق کمپنی کے سات (7) ڈائریکٹرز کا 27 اکتوبر 2018ء سے شروع ہونے والی تین سال کی مدت کیلئے انتخاب کرنا۔ ریٹائرڈ ہونے والے اور نامزدگی کی درخواست جمع کرانے کے اہل موجودہ ڈائریکٹرز کے نام یہ ہیں:
 

(i) مہرین صیدآغا	(ii) مدیحین صید	(iii) شایلا	(iv) ہدیل صید
(v) بشان کے ستار	(vi) عبدالجلیل شریف	(vii) ویلی طارق رگون والا	
- 4- سال 2018-2019 کیلئے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔
- 5- دیگر امور:
  - اجلاس کے سربراہ کی اجازت سے کوئی دیگر کارروائی عمل میں لانا۔

محکم بورڈ  
محمد قمر خان عادل  
کمپنی سیکریٹری

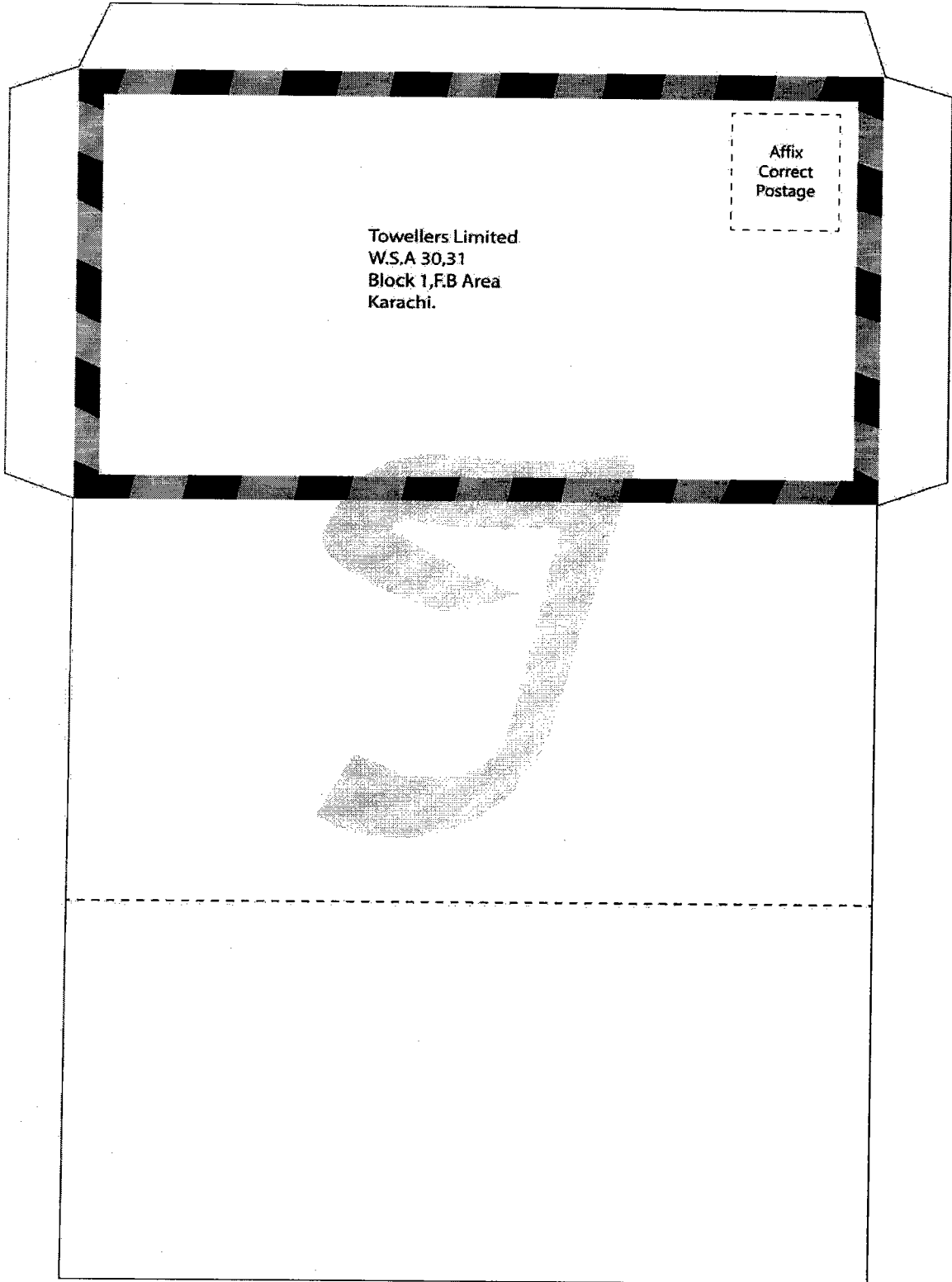
کراچی: 19 ستمبر، 2018

**نوٹس:**

- 1- کمپنی کی منتقلی چھس کی کتاب میں مورخہ 17 اکتوبر، 2018ء تا 24 اکتوبر، 2018ء تک بند رہے گی (دونوں دن شامل ہیں)۔
- 2- اجلاس میں شرکت کرنے، بولنے اور ووٹ کا حق رکھنے والا ہر ممبر اپنی جگہ کمپنی کے کسی دوسرے ممبر کو اپنی جانب سے اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے اپنا پراسی مقرر کر سکتا ہے۔ شیئرز کے انفرادی استفادہ کنندہ مالک کو اپنی شناخت ثابت کرنے کے لیے اپنا اصل CNIC یا پاسپورٹ، اکاؤنٹ اور پارٹیشن آئی ڈی نمبرز ساتھ لائٹھ لانے ہوں گے۔ کارپوریٹ ممبران کسی نمائندے کو لازماً بورڈ آف ڈائریکٹرز کی قرارداد اور ایجنڈا ساتھ لائٹھ لانے و دستخط کا نمونہ ساتھ لانا ہوگا۔ CDC اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر 01 مورخہ 26 جنوری، 2000ء میں دی گئی ہدایات پر مزید عمل کرنا ہوگا۔
- 3- ممبران کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018ء کی لاگو شدہ اور کمپنیز ایکٹ 2017 کی شق 143-145 کے تقاضوں کے اپنے ووٹ کا حق استعمال کر سکتے ہیں۔
- 4- شیئرز ہولڈرز کو یونٹ فی بیلٹنگ کے ذریعے بھی اجلاس میں شرکت کر سکتے ہیں، اگر کمپنی کو اجلاس کی تاریخ سے کم از کم دس دن پہلے کسی دوسرے شہر میں مقیم 10 فی صد یا زائد مجموعی شیئرز کے حامل شیئرز ہولڈرز کی طرف سے ووٹ یونٹ کے ذریعے شمولیت کی رضامندی موصول ہوگی تو کمپنی اس شہر میں شمولیت کا انتظام کرے گی۔
- 5- تمام شیئرز ہولڈرز سے ایک پارچہ درخواست ہے کہ ہمارے رجسٹرار کے پاس اپنے CNIC کی نقل اور بینک اکاؤنٹ کی تفصیلات مع IBAN جمع کرا دیں اور اپنے پاس کسی تبدیلی سے آگاہ کریں۔ پراسی فارم منسلک ہے۔

- ڈائریکٹرز کے انتخاب کے حوالے سے کمپنیز ایکٹ 2017 کی شق (3) 166 کے تحت اہم حقائق کا اعلامیہ
- 1- بورڈ آف ڈائریکٹرز نے 19 ستمبر 2018ء کو منعقدہ اپنے اجلاس میں آئندہ تین سال کی مدت کے لیے منتخب کیے جانے والے ڈائریکٹرز کی تعداد سات (7) مقرر کی ہے۔
- 2- ڈائریکٹرز کا انتخاب لانے کا خواہش مند کوئی بھی ممبر سالانہ اجلاس عام کی تاریخ سے کم از کم چودہ (14) دن پہلے کمپنیز ایکٹ، 2017ء کی شق (3) 159 کے مطابق خود کو ڈائریکٹرز کے انتخاب کے لیے خود کو پیش کرنے کے لیے اپنے ارادے کا نوٹس کمپنی کو اس کے رجسٹرڈ آفس میں درج ذیل کے ہمراہ جمع کرائے گا:
  - (i) امیدوار کی طرف سے یا ضابطہ پر کردہ اور دستخط شدہ فارم - 28 میں بطور ڈائریکٹر کام کرنے کی رضامندی جو کمپنیز ایکٹ 2017 کی شق (1) 167 کے تحت مطلوب ہے۔ (ii) جنوری 16ء کے 2012 (1) SRO کے مطابق کمپنی کی ویب سائٹ پر پیش کرنے کے لیے انتخاب کی تاریخ سے سات دن پہلے تفصیلی تعارف اور دفتر کا پتہ۔ (iii) اس امر کا دستخط شدہ اقرار نامہ کہ وہ ڈائریکٹرز کے فرائض اور اختیارات سے باخبر ہے اور کمپنیز ایکٹ 2017ء، کمپنی کے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن، پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک اور کارپوریٹ گورننس ریگولیشنز، 2017ء اور دیگر متعلقہ قوانین اور ضوابط کی تعمیل کرتا کرتی ہے۔ (iv) کارآمد CNIC / پاسپورٹ اور NTN، کسی دیگر ایسی دستاویز / معلومات کی تصدیق شدہ نقل، جسے وہ ضروری سمجھتا سمجھتی ہو۔ (v) خود مختار ڈائریکٹرز کمپنیز ایکٹ، 2017ء کی شق 159 کے مطابق ڈائریکٹرز کے انتخاب کے عمل کے ذریعے منتخب کیے جائیں گے اور وہ کمپنیز ایکٹ، 2017ء کی شق (2) 166 کے تحت مقررہ معیار اہلیت پر پورے اتریں گے۔

**TOWELLERS LIMITED**



# INVESTORS' EDUCATION

In compliance with the securities and Exchange Commission of Pakistan's SRO 924(1)2015 dated September 9, 2015, Investors attention is invited to the following information message:

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# TOWELLERS LIMITED

## Form of Proxy

### 45<sup>th</sup> 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 24, 2018, and at any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of \_\_\_\_\_ 2018  
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.

# TOWELLERS LIMITED

## ٹاولرز لمیٹڈ

فارم برائے پراکسی (Form Of Proxy)

45واں سالانہ اجلاس عام

میں اہم \_\_\_\_\_ کا (مکمل پتہ) \_\_\_\_\_  
شخصیت نادرزولینڈ کے ممبر امیران \_\_\_\_\_  
حصص کے مالک، بذریعہ پتہ کا (مکمل پتہ) \_\_\_\_\_  
یا ان کی عدم موجودگی کی صورت میں \_\_\_\_\_  
کا (مکمل پتہ) \_\_\_\_\_  
جو کہ پتہ کا ممبر امیرز بھی ہے ہیں 24 اکتوبر 2018 کو منعقد  
ہونے والے اور ایالتوی ہونے والے یعنی کے سالانہ اجلاس عام میں میری اہماری جانب سے ووٹ دینے کے لئے میری اہماری پراکسی مقرر کرتا ہوں کرتی ہوں کرتے ہیں۔  
بطور گواہ میں اہم بروز \_\_\_\_\_ تاریخ \_\_\_\_\_ 2018 کو میرے اہماری ہاتھ سے مہر لگائی

ذکورہ کی جانب سے دستخط شدہ  
مستند ذیل گواہوں کی موجودگی میں

گواہ:

1- دستخط \_\_\_\_\_  
2- دستخط \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_

کیونکہ زائر ذوقی شناختی کارڈ یا پاسپورٹ نمبر:

کیونکہ زائر ذوقی شناختی کارڈ یا پاسپورٹ نمبر:

دستخط

فولیو ای سی ڈی سی اکاؤنٹ نمبر

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

نوٹ:

- 1- پراکسی فارم ہر طرف سے مکمل صورت اور دستخط شدہ اور نمائندگی کے رجسٹرڈ آفس W.S.A 30,31 FEDERAL "B" AREA BLOCK-1, KARACHI پر سالانہ اجلاس عام کے انعقاد کے وقت سے 48 گھنٹے قبل وصول ہونا چاہئیں۔
- 2- کسی فرد کو بطور پراکسی شرکت کی اجازت نہیں دی جائے گی۔
- 3- اگر کسی ممبر نے ایک سے زیادہ پراکسی نام لکھے ہیں اور ان کی ایک سے زیادہ دستاویزیوں میں سے ایک سے زیادہ پراکسی کی ایک نام دستاویز ہے تو پراکسی کی ایک سے زیادہ پراکسی نام لکھے جائیں گی۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز یا کارپوریٹ ادارے

ذکورہ بالا کے طور پر ذیل شرائط لکھی چوری کرتا ہوں گی:

- 1- پراکسی فارم وافرادیکی جانب سے گواہی کے ساتھ ہونا چاہئے جن کے نام سے پراکسی ای سی ڈی سی اکاؤنٹ پر ووٹ ہوں۔
- 2- جی بی بی سی ای سی ڈی سی اکاؤنٹ پر ووٹ کی تصدیق پر پراکسی فارم کے ساتھ پیش کرنا ہوگی۔
- 3- پراکسی اکاؤنٹ کے وقت اپنا اصل ای سی ڈی سی اکاؤنٹ یا اصل پاسپورٹ فراہم کرنا ہوگا۔
- 4- کارپوریٹ ادارے کی صورت میں گواہ آف ڈائریکٹرز کی قرارداد یا آف انارٹی مع موجود دستاویز (اگر پیلٹرز انہیں کئے گئے) پراکسی فارم کے ساتھ کے پاس پیش کرنا ہوں گے۔