

TOWELLERS LIMITED

UNAUDITED ACCOUNTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2017



TOWELLERS LIMITED

Vision

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

Mission

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

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TOWELLERS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRPERSON

Mrs. Surrailya Junaid

CHIEF EXECUTIVE OFFICER

Ms. Mehreen Obaid Agha

DIRECTORS

Ms. Mahjabeen Obaid

Ms. Sana Bilal

Ms. Hadeel Obaid

Mr. Zeeshan K. Sattar

Mr. Abdul Jalil Shariff

INDEPENDENT DIRECTOR

Ms. Swaieha Alam

COMPANY SECRETARY

Mr. M. Farhan Adil

CHIEF FINANCIAL OFFICER

Mr. M. Farzan Ijtiba

AUDIT COMMITTEE

Ms. Swaieha Alam	(Chairman)
Ms. Hadeel Obaid	(Member)
Ms. Abdul Jalil Shariff	(Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr. Zeeshan K. Sattar	(Chairman)
Ms. Mahjabeen Obaid	(Member)
Mr. Abdul Jalil Shariff	(Member)

SHARE REGISTRAR

T.H.K., Associates Pvt. Ltd.

Head Office: 1st Floor 40-C, Block-6, P.E.C.H.S, Karachi-75400

P.O Box No. 6533.

AUDITORS

Mushtaq & Company

Chartered Accountants

407-Commerce Centre, Hasrat Mohani Road, Karachi.

BANKERS

Sonari Bank Limited

Bank Islami Pakistan Ltd.

Allied Bank Limited

Muslim Commercial Bank Limited

United Bank Limited

NIB Bank

Summit Bank Ltd.

Silk Bank Ltd.

Dubai Islamic Bank Pakistan Ltd.

REGISTERED OFFICE

WSA-30 & 31, Block-1, Federal "B" Area, Karachi-75950

Web Site : www.towellers.com www.towellerslimited.com

E-mail : towellers@cyber.net.pk

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.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Directors of the Company have pleasure in submitting their report together with the un-audited financial statements of the Company for the Nine Months ended March 31st, 2017.

By the grace of God the company made a profit of Rs. 99.07 million after meeting all operational administrative, financial and other expenses.

FINANCIAL HIGHLIGHTS**NINE MONTHS ENDED MARCH 31, 2017
RUPEES IN THOUSANDS**

	2017	2016
Sales & Services	1,986,304	1,995,813
Gross profit	332,752	440,327
Other income	11,600	14,137
Profit before taxation	119,608	212,675
Taxation	(20,538)	(21,885)
Profit after taxation	99,070	190,790

Acknowledgment

Yours Directors record with appreciation, the efforts of the company's managers, technicians and workers who have worked vigorously to meet the target. Yours Directors also extent their appreciation to the company's Banker, Buyers and Suppliers for the Co-operation extended by them.



TOWELLERS LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT March 31, 2017

	UNAUDITED	AUDITED
Note	31-Mar-17 Rupees	30-Jun-16 Rupees
NON CURRENT ASSETS		
Property, plant and equipment	1,003,993,539	1,024,074,802
Long term loans	14,418,370	12,880,034
Long term deposits	6,549,820	7,429,820
	1,024,961,729	1,044,384,656
CURRENT ASSETS		
Stores, spare parts and loose tools	11,614,769	17,394,468
Stock in trade	388,908,889	294,845,193
Trade debts	186,188,418	219,960,403
Loans and advances	8,727,080	14,097,764
Trade deposits and short term prepayments	10,027,845	10,901,407
Other receivables	96,998,566	115,459,217
Income tax and sales tax refundable	103,640,903	111,063,696
Cash and bank balances	143,423,482	80,703,444
Non-current assets held for sale	13,775,094	13,775,094
	963,305,045	878,200,686
TOTAL ASSETS	1,988,266,774	1,922,585,342
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Capital		
25,000,000 (June 30, 2016: 25,000,000) ordinary shares of Rs. 10 each	250,000,000	250,000,000
Issued, subscribed and paid up capital		
17,000,000 (June 30, 2016: 17,000,000) ordinary shares of Rs. 10 each	170,000,000	170,000,000
Reserves	310,118,390	190,538,434
	480,118,390	360,538,434
Surplus on revaluation of property, plant & equipment	602,671,411	623,181,201
NON CURRENT LIABILITIES		
Long term financing from banking companies - secured	101,761,810	110,641,795
Loan from directors & others	1,666,672	3,750,002
Deferred liabilities		
Staff retirement benefits - gratuity	142,719,797	139,288,394
	240,148,279	253,680,191
CURRENT LIABILITIES		
Trade and other payables	500,693,129	500,302,176
Accrued mark up and interest	134,214,818	134,214,818
Current portion of		
Long term financings	21,712,418	49,245,400
Loan from directors and others	2,708,329	1,423,122
	659,328,694	685,185,516
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	1,988,266,774	1,922,585,342

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

Chief Executive

Director

Karachi, April 25, 2017

TOWELLERS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Nine Months Ended		Quarter Ended	
	31-Mar-17 Rupees	31-Mar-16 Rupees	31-Mar-17 Rupees	31-Mar-16 Rupees
Net Sales	1,986,303,966	1,995,812,743	501,347,798	515,608,784
Cost of sales	(1,653,551,575)	(1,555,485,274)	(432,745,752)	(435,294,721)
Gross profit	332,752,391	440,327,469	68,602,046	80,314,063
Distribution cost	(91,650,348)	(100,440,946)	(25,707,375)	(28,388,856)
Administrative expenses	(121,550,868)	(122,136,582)	(39,941,797)	(39,544,498)
Other operating expenses	(6,295,166)	(15,292,014)	(172,070)	(736,255)
Other income	11,600,292	14,136,934	1,538,503	2,008,111
	(207,896,090)	(223,732,609)	(64,282,739)	(66,661,498)
Profit from operations	124,856,301	216,594,860	4,319,307	13,652,565
Finance cost	(5,248,143)	(3,920,103)	(1,049,969)	(1,767,288)
Profit before taxation	119,608,158	212,674,757	3,269,338	11,885,277
Provision for taxation	(20,537,992)	(21,884,683)	(5,692,725)	(6,731,533)
Profit / (loss) for the period	99,070,166	190,790,074	(2,423,387)	5,153,744
Profit / (loss) per share-basic and diluted	5.83	11.22	(0.14)	0.30

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


Chief Executive


Director

Karachi, April 25, 2017

TOWELLERS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Nine Months Ended		Quarter Ended	
	31-Mar-17 Rupees	31-Mar-16 Rupees	31-Mar-17 Rupees	31-Mar-16 Rupees
Profit / (loss) for the period	99,070,166	190,790,074	(2,423,387)	5,153,744
Other comprehensive income for the period	-	-	-	-
Total comprehensive Profit / (loss) for the period	99,070,166	190,790,074	(2,423,387)	5,153,744

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


Chief Executive


Director

Karachi, April 25, 2017

TOWELLERS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2017

Particulars	Share capital	Reserves			Total
		Capital	Revenue		
		Share premium	Unappropriated profit/(loss)	Sub total	
Rupees					
Balance as at July 01, 2015	170,000,000	63,000,000	(11,413,526)	51,586,474	221,586,474
Total comprehensive profit for the nine months ended March 31, 2016	-	-	190,790,074	190,790,074	190,790,074
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	21,995,607	21,995,607	21,995,607
Balance as at March 31, 2016	170,000,000	63,000,000	201,372,155	264,372,155	434,372,155
Balance as at July 01, 2016	170,000,000	63,000,000	127,538,434	190,538,434	360,538,434
Total comprehensive profit for the nine months ended March 31, 2017	-	-	99,070,166	99,070,166	99,070,166
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	20,509,790	20,509,790	20,509,790
Balance as at March 31, 2017	170,000,000	63,000,000	247,118,390	310,118,390	480,118,390

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


Chief Executive


Director

Karachi, April 25, 2017


TOWELLERS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Nine Months Ended	
	31-Mar-17 Rupees	31-Mar-16 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	119,608,158	212,674,757
Adjustments for:		
Depreciation	58,300,526	32,557,203
Finance cost	5,248,143	3,920,103
Gain on disposal of property, plant and equipment	(876,258)	(1,024,588)
Workers' profit participation fund	6,295,166	11,398,339
Workers' welfare fund	-	3,893,675
Provision for gratuity	17,020,935	15,043,202
	85,988,512	65,789,934
Profit before working capital changes	205,596,670	278,464,691
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	(88,283,997)	(69,048,968)
Trade debts	33,771,985	144,842,374
Loans and advances	5,370,684	9,869,341
Trade deposits and short term prepayments	1,753,562	(8,805,694)
Other receivables	18,460,851	9,796,612
	(28,927,115)	86,653,666
(Decrease) / increase in current liabilities		
Trade and other payables	(5,904,214)	(143,319,157)
Cash generated from operations	170,765,341	219,799,199
Finance cost paid	(5,248,143)	(3,920,103)
Taxes refund / (paid)	(13,115,197)	(28,011,906)
Long term loan paid	(1,536,336)	(706,294)
Staff retirement benefits - gratuity net	(13,589,532)	(7,339,119)
Net cash generated from operating activities	137,274,133	179,821,778
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	2,975,000	3,405,000
Fixed capital expenditure	(40,318,005)	(77,312,383)
Net cash used in investing activities	(37,343,005)	(73,907,383)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(36,412,967)	127,356,782
Loan from directors and others	(798,123)	(15,000,000)
Short term borrowings - net	-	(183,609,291)
Net cash used in financing activities	(37,211,090)	(71,252,509)
Net increase / (decrease) in cash and cash equivalents	62,720,038	34,661,886
Cash and cash equivalents at the beginning of the year	80,703,444	87,473,086
Cash and cash equivalents at the end of the period	143,423,482	122,134,972

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


Chief Executive


Director

Karachi, April 25, 2017

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017**

1 LEGAL STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan as a Private Limited Company on May 31, 1973 and subsequently converted into Public Limited Company on June 22, 1994 under the Companies Act, 1913 (Now Companies Ordinance, 1984) and is quoted on stock exchanges at PSX. The principal business of the company is to manufacture and export of textile made ups, garments and towels. The registered office of the company is situated at WSA - 30 & 31, Block - 1, Federal "B" Area, Karachi in the province of Sindh, Pakistan.

2 BASIS OF PREPARATION

Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Finance Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2016.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of PSX and section 245 of the Companies Ordinance, 1984.

These condensed financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the nine months ended March 31, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2016.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.


Chief Executive


Director

Karachi, April 25, 2017

TOWELLERS LIMITED

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2016.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2016.

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	31-Mar-17	30-Jun-16
		Rupees	
Operating assets	5.1	982,858,537	1,024,074,802
Capital work in progress-at cost	5.2	21,135,002	-
		<u>1,003,993,539</u>	<u>1,024,074,802</u>

5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	31-Mar-17	30-Jun-16
	Rupees	
Net book value at the beginning of the period/year	1,024,074,802	738,381,960
Additions during the period/year		
Building on leasehold land	-	270,313,861
Plant and machinery	8,274,313	61,056,470
Furniture and fixture	949,311	421,755
Office equipment	4,680,561	17,979,271
Vehicles	5,278,818	2,438,500
	<u>19,183,003</u>	<u>352,209,857</u>
Net book value of assets disposed during the period/year	(2,098,742)	(16,155,506)
Depreciation for the period/year	(58,300,526)	(50,361,509)
Net book value at the end of the period/year	<u>982,858,537</u>	<u>1,024,074,802</u>

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	31-Mar-17	30-Jun-16
	Rupees	
Building	21,135,002	-
	<u>21,135,002</u>	<u>-</u>

Chief Executive

Karachi, April 25, 2017

Director

TOWELLERS LIMITED

6 TRADE DEBTS

	Note	(Un-audited)	(Audited)
		31-Mar-17	30-Jun-16
		----- Rupees -----	
<hr/>			
Secured - considered goods			
Foreign debts		180,876,463	203,503,370
Unsecured - considered goods			
Foreign debts		5,242,840	15,138,844
Domestic debts		69,115	1,318,189
		5,311,955	16,457,033
		186,188,418	219,960,403
Provision for doubtful debts	6.1	-	-
		186,188,418	219,960,403

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

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

7 CONTINGENCIES AND COMMITMENTS

	(Un-audited)	(Audited)
	31-Mar-17	30-Jun-16
	----- Rupees -----	
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7.1 Contingencies		
Bank guarantees issued in the ordinary course of business	9,405,000	3,090,000
	9,405,000	3,090,000


Chief Executive


Director

Karachi, April 25, 2017

TOWELLERS LIMITED

7.2 Commitments

Building	<u>5,000,000</u>	<u>10,000,000</u>
	<u>5,000,000</u>	<u>10,000,000</u>

8 DATE OF AUTHORIZATION FOR ISSUE

These condensed nine months financial statements have been authorized for issue on April 25, 2017 by the board of directors of the company.

9 GENERAL

Figures have been rounded off to the nearest rupees.


Chief Executive


Director

Karachi, April 25, 2017