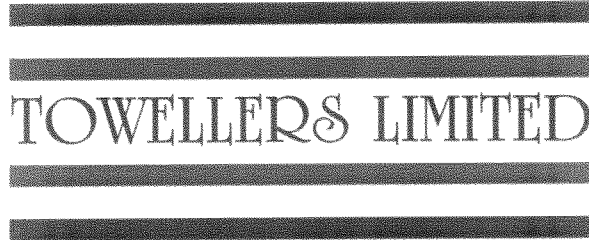
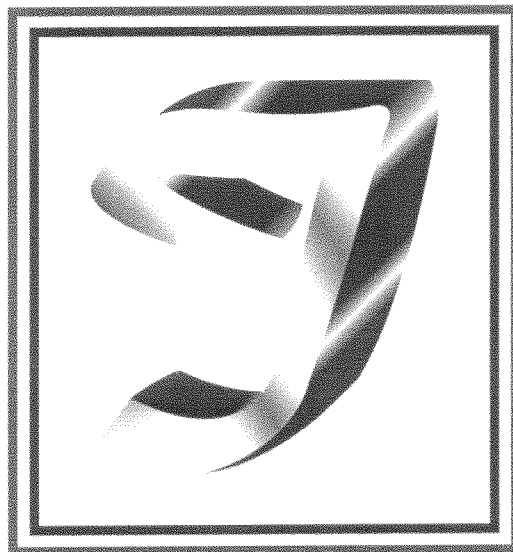


# TOWELLERS LIMITED

UNAUDITED ACCOUNTS  
FOR THE NINE MONTHS ENDED  
MARCH 31, 2018



## **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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Profit and Loss Account	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Cash Flow Statement	8
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# TOWELLERS LIMITED

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## COMPANY INFORMATION BOARD OF DIRECTORS

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

## BOARD AUDIT COMMITTEE

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

## HUMAN RESOURCE AND REMUNERATION COMMITTEE:

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

## CHIEF FINANCIAL OFFICER

Mr. M. Farzan Ijtiba

## COMPANY SECRETARY

Mr. M. Farhan Adil

## STATUTORY AUDITORS

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

## BANKERS

Soneri Bank Limited  
Bank Islami Pakistan Ltd  
Allied Bank Limited  
MCB Bank Limited  
United Bank Limited  
Faysal Bank Ltd  
Summit Bank Ltd  
Silk Bank Ltd  
Dubai Islamic Bank Pakistan Ltd

## REGISTRAR & SHARE REGISTRATION OFFICE

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

**DIRECTOR'S REPORT TO THE SHAREHOLDERS**

The directors of the Company have submitting their report together with the un-audited financial statements of the Company for the nine months ended March 31, 2018.

The company made a profit of Rs.165.46 million after meeting all operational administrative,financial & other expenses.

**FINANCIAL HIGHLIGHTS  
NINE MONTHS ENDED MARCH 31 2018**

	Rupees in Thousand	
	2018	2017
Net Sales	1,819,110	1,986,304
Gross Profit	218,475	332,752
Other Income	3,918	11,600
Profit before taxation	185,082	119,608
Taxation	(19,626)	((20,538)
Profit after taxation	165,457	99,070

**ACKNOWLEDGEMENTS**

The Board of Director of your directors record with appreciation the efforts of the company's manager,technicians and workers who have worked vigorously to meet the target.Yours directors also extent their appreciation to the company's bankers,buyers and suppliers for the co-operation extended by them.

Karachi, April 26, 2018


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# TOWELLERS LIMITED


## TOWELLERS LIMITED

Condensed Interim Balance Sheet (Un-audited)  
As at March 31, 2018

	Note	UNAUDITED	AUDITED
		31-Mar-18 Rupees	30-Jun-17 Rupees
Property, plant and equipment	5	1,256,879,167	989,150,121
Long term loans		13,877,973	12,041,399
Long term deposits		29,343,792	6,529,820
		1,300,100,932	1,007,721,340
Stores, spare parts and loose tools	6	8,105,257	9,833,368
Stock in trade		273,198,319	278,499,086
Trade debts		144,229,369	220,283,574
Loans and advances		6,657,225	11,113,710
Trade deposits and short term prepayments		13,288,419	12,707,593
Other receivables		115,044,361	131,617,283
Income tax and sales tax refundable		93,431,982	115,215,321
Cash and bank balances		129,446,249	162,311,379
Non-current assets held for sale		13,775,094	13,775,094
			797,176,275
		<b>2,097,277,207</b>	<b>1,963,077,748</b>
<b>Authorized capital</b>			
25,000,000 (June 30, 2017: 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, 2017: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		511,034,488	321,128,435
		681,034,488	491,128,435
Surplus on revaluation of property, plant & equipment		855,994,345	597,265,397
Long term financing from banking companies - secured		-	100,000,575
<b>Deferred liabilities</b>			
Staff retirement benefits - gratuity		108,364,913	104,152,562
		108,364,913	204,153,137
Trade and other payables		447,157,363	520,109,823
Accrued mark up and interest		-	134,214,818
Short Term borrowing from director		2,083,338	3,958,335
<b>Current portion of</b>			
Long term financings		2,642,760	12,247,803
		451,883,461	670,530,779
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
		<b>2,097,277,207</b>	<b>1,963,077,748</b>

  
Mehreen Obaid Agha  
Chief Executive

  
Abdul Jaleel Sharif  
Director

  
Muhammad Farzan Ijtiba  
Chief Financial Officer


Karachi, April 26, 2018

# TOWELLERS LIMITED

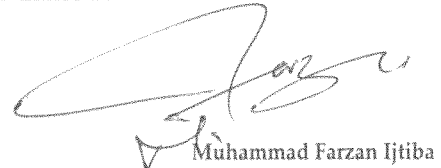
## TOWELLERS LIMITED

Condensed Nine Months Profit and loss Account (Un-audited)  
For the nine months ended March 31, 2018

	Nine Months Ended		Quarter Ended	
	31-Mar-18 Rupees	31-Mar-17 Rupees	31-Mar-18 Rupees	31-Mar-17 Rupees
Net Sales	1,819,109,909	1,986,303,966	428,560,569	501,347,798
Cost of sales	(1,600,634,689)	(1,653,551,575)	(405,221,765)	(432,745,752)
Gross profit	218,475,220	332,752,391	23,338,805	68,602,046
<b>Operating expenses</b>				
Distribution cost	(112,658,258)	(91,650,348)	(32,390,717)	(25,707,375)
Administrative expenses	(140,719,952)	(121,550,868)	(50,613,584)	(39,941,797)
Other operating expenses	(9,741,173)	(6,295,166)	3,237,459	(172,070)
	(263,119,383)	(219,496,382)	(79,766,842)	(65,821,242)
<b>Profit / (loss) from operations</b>	(44,644,163)	113,256,009	(56,428,037)	2,780,804
<b>Other charges / income</b>				
Other income	3,917,954	11,600,292	1,125,815	1,538,503
Waiver of loan	100,000,000	-	-	-
Waiver of mark-up	134,214,818	-	-	-
Finance cost	(8,406,315)	(5,248,143)	(6,209,500)	(1,049,969)
	229,726,457	6,352,149	(5,083,685)	488,534
<b>Profit / (loss) before taxation</b>	185,082,294	119,608,158	(61,511,722)	3,269,338
Provision for taxation	(19,625,537)	(20,537,992)	(7,118,959)	(5,692,725)
<b>Profit / (loss) for the period</b>	<b>165,456,757</b>	<b>99,070,166</b>	<b>(68,630,681)</b>	<b>(2,423,387)</b>
<b>Profit / (loss) per share-basic and diluted</b>	<b>9.73</b>	<b>5.83</b>	<b>(4.04)</b>	<b>(0.14)</b>

  
Mehreen Obaid Agha  
Chief Executive

  
Abdul Jaleel Sharif  
Director

  
Muhammad Farzan Ijtiba  
Chief Financial Officer

Karachi, April 26, 2018

# TOWELLERS LIMITED

## TOWELLERS LIMITED

Condensed Nine Months Statement of Comprehensive Income (Un-audited)  
For the nine months ended March 31, 2018

	Nine Months Ended		Quarter Ended	
	31-Mar-18 Rupees	31-Mar-17 Rupees	31-Mar-18 Rupees	31-Mar-17 Rupees
Profit / (loss) for the period	165,456,757	99,070,166	(68,630,681)	(2,423,387)
Other comprehensive income for the period	-	-	-	-
Total comprehensive Profit for the period	165,456,757	99,070,166	(68,630,681)	(2,423,387)

  
Mehreen Obaid Agha  
Chief Executive

  
Abdul Jaleel Sharif  
Director

  
Muhammad Farzan Ijtiba  
Chief Financial Officer

Karachi, April 26, 2018



# TOWELLERS LIMITED

TOWELLERS LIMITED

Condensed Nine Months Statement of Changes in Equity (Un-audited)  
For the nine months ended March 31, 2018

Particulars	Share capital	Reserves		Sub total	Total
		Capital Share premium	Revenue Unappropriated profit/(loss)		
	Rupees				
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
<b>Balance as at March 31, 2017</b>	<b>170,000,000</b>	<b>63,000,000</b>	<b>247,118,390</b>	<b>310,118,390</b>	<b>480,118,390</b>
Balance as at July 01, 2017	170,000,000	63,000,000	258,128,435	321,128,435	491,128,435
Total comprehensive profit for the nine months ended March 31, 2018	-	-	165,456,757	165,456,757	165,456,757
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	24,449,296	24,449,296	24,449,296
<b>Balance as at March 31, 2018</b>	<b>170,000,000</b>	<b>63,000,000</b>	<b>448,034,488</b>	<b>511,034,488</b>	<b>681,034,488</b>

  
Mehreen Obaid Agha  
Chief Executive

  
Abdul Jaleel Sharif  
Director

  
Muhammad Farzan Ijtiba  
Chief Financial Officer

Karachi, April 26, 2018

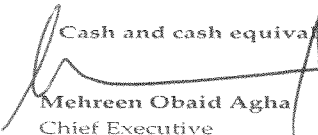
# TOWELLERS LIMITED

## TOWELLERS LIMITED

Condensed Nine Months Cash Flow Statement (Un-audited)  
For the nine months ended March 31, 2018

	Nine Months	
	31-Mar-18 Rupees	31-Mar-17 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	185,082,294	119,608,158
<b>Adjustments for:</b>		
Depreciation	58,031,921	58,300,526
Finance cost	8,406,315	5,248,143
Gain on disposal of property, plant and equipment	(625,801)	(876,258)
Workers' profit participation fund	9,741,173	6,295,166
Provision for gratuity	17,905,680	17,020,935
	93,459,288	85,988,512
Profit before working capital changes	278,541,582	205,596,670
<b>(Increase) / decrease in current assets</b>		
Stock, stores, spare parts and loose tools	7,028,878	(88,283,997)
Trade debts	76,054,205	33,771,985
Loans and advances	4,456,485	5,370,684
Trade deposits and short term prepayments	(23,394,798)	1,753,562
Other receivables	16,572,922	18,460,651
	80,717,691	(28,927,115)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(82,693,633)	(5,904,214)
Cash generated from operations	276,565,640	170,765,341
Finance cost paid	(142,621,134)	(5,248,143)
Taxes refund / (paid)	2,157,803	(13,115,197)
Long term loan paid	(1,836,574)	(1,538,336)
Staff retirement benefits - gratuity net	(13,693,329)	(13,589,532)
<b>Net cash generated from operating activities</b>	120,572,405	137,274,133
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	734,000	2,975,000
Fixed capital expenditure	(42,690,920)	(40,318,005)
<b>Net cash used in investing activities</b>	(41,956,920)	(37,343,005)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(109,605,618)	(36,412,967)
Short term borrowings - net	(1,874,997)	(798,123)
<b>Net cash used in financing activities</b>	(111,480,615)	(37,211,090)
<b>Net increase / (decrease) in cash and cash equivalents</b>	(32,865,130)	62,720,038
Cash and cash equivalents at the beginning of the year	162,311,379	80,703,444
<b>Cash and cash equivalents at the end of the period</b>	<b>129,446,249</b>	<b>143,423,481</b>

Cash and cash equivalents at the end of the period

  
Mehreen Obaid Agha  
Chief Executive

  
Abdul Jaleel Sharif  
Director

  
Muhammad Farzan Ijtiba  
Chief Financial Officer

Karachi, April 26, 2018

# TOWELLERS LIMITED

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## TOWELLERS LIMITED

### SELECTED NOTES TO THE CONDENSED NINE MONTHS FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months ended March 31, 2018

#### 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

Effective 30 May 2017, the companies Act,2017 (The Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No.23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermor, the institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial information of the companies for the periods ending on or before December 31,2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance 1984. Accordingly, these condensed interim financial information have been prepared in accordance with International Accounting Standard-34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirments differ the provision of or directive issued under the repealed Companies Ordinance, 1984 have been followed.

Currently, the company is assessing the impact of these requirment on the financial statements. It is expected that it will result in change in accounting treatments and enhanced disclosures in the financial statements which will be incorporated in the subsequent financial statements of the company.

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, 2017.

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, 2018.

#### 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, 2017.

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.

# TOWELLERS LIMITED

## 4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2017.

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, 2017.

## 5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		31-Mar-18	30-Jun-17
		----- Rupees -----	
Operating assets	5.1	1,205,127,041	967,198,215
Capital work in progress-at cost	5.2	51,752,126	21,951,906
		<u>1,256,879,167</u>	<u>989,150,121</u>

### 5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	31-Mar-18	30-Jun-17
		----- Rupees -----
Net book value at the beginning of the period/year	967,198,215	1,024,074,803
Additions & surplus during the period/year		
Leasehold land	202,198,921	-
Building on leasehold land	42,761,312	-
Plant and machinery	43,433,390	9,738,313
Furniture and fixture	932,940	1,050,210
Office equipment	3,442,962	5,678,750
Software	425,920	-
Vehicles	2,873,500	5,278,818
	<u>296,068,945</u>	<u>21,746,091</u>
Net book value of assets disposed during the period/year	(108,199)	(2,107,788)
Depreciation for the period/year	<u>(58,031,921)</u>	<u>(76,514,891)</u>
Net book value at the end of the period/year	<u>1,205,127,041</u>	<u>967,198,215</u>

## TOWELLERS LIMITED

### 5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	31-Mar-18	30-Jun-17
	----- Rupees -----	
Building	22,591,393	21,951,906
Plant & Machinery	8,128,411	-
Waste Water Treatment Plant	21,032,322	-
	<u>51,752,126</u>	<u>21,951,906</u>

### 6 TRADE DEBTS

	(Un-audited)	(Audited)
	31-Mar-18	30-Jun-17
	----- Rupees -----	
	Note	
<b>Secured - considered good</b>		
Foreign debts	143,620,310	220,283,574
<b>Unsecured - considered good</b>		
Foreign debts	-	-
Domestic debts	609,059	-
	<u>609,059</u>	<u>-</u>
	144,229,369	220,283,574
	<u>144,229,369</u>	<u>220,283,574</u>

### 7 CONTINGENCIES AND COMMITMENTS

	(Un-audited)	(Audited)
	31-Mar-18	30-Jun-17
	-----Rupees -----	
<b>7.1 Contingencies</b>		
Bank guarantees issued in the ordinary course of business	9,405,000	9,405,000
<b>7.2 Commitments</b>		

# TOWELLERS LIMITED

## 8 TRANSACTIONS WITH RELATED PARTIES

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

Nature of transaction	Relationship	31-Mar-18	30-Jun-17
		Rupees	
Salaries and other benefits	C.E.O & Directors	25,073,704	26,888,571
Loan repay to C.E.O	C.E.O & Directors	1,874,997	1,059,184

## 9 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:

From	To	Nature	Rupees
Administrative	Distribution cost	Travelling	8,782,219.00

## 10 DATE OF AUTHORIZATION FOR ISSUE

These condensed nine months financial statements have been authorized for issue on April 26 2018 by the board of directors of the company.

## 11 GENERAL

Figures have been rounded off to the nearest rupees.

Mehreen Obaid Agha  
Chief Executive

Abdul Jaleel Sharif  
Director

Muhammad Farzan Ijtiba  
Chief Financial Officer

Karachi, April 26, 2018