



**Unaudited Account for the
Quarter Ended
September 30th, 2013**

TOWELLERS LTD

TOWELLERS LTD

Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2013

		SEPTEMBER 30 2013 RUPEES	JUNE 30 2013 RUPEES
NON CURRENT ASSETS			
Property, plant and equipment	5	1,633,119,846	1,659,397,235
Long term loans		16,650,998	14,738,037
Long term deposits		7,808,103	5,405,436
		1,657,578,947	1,679,540,708
CURRENT ASSETS			
Stores, spare parts and loose tools		22,755,190	21,520,650
Stock in trade		442,005,974	453,195,755
Trade debts	6	394,016,149	346,645,913
Loans and advances		20,420,168	15,631,858
Trade deposits and short term prepayments		8,867,108	4,128,507
Other receivables		76,165,647	74,123,264
Income tax and Sales tax		86,690,038	71,529,018
Cash and bank balances		145,828,955	166,718,156
		1,196,749,229	1,153,493,121
TOTAL ASSETS		2,854,328,176	2,833,033,829
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		250,000,000	250,000,000
25,000,000 (June 30, 2013: 25,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid up capital		170,000,000	170,000,000
17,000,000 (June 30, 2013: 17,000,000) ordinary shares of Rs. 10 each			
Reserves		(346,683,919)	(389,065,069)
		(176,683,919)	(219,065,069)
Surplus on revaluation of property, plant & equipment		748,134,219	758,688,532
NON CURRENT LIABILITIES			
Long term financing from banking companies - secured		740,209,204	767,250,219
Deferred liabilities			
Staff retirement benefits - gratuity		18,494,122	19,482,168
		758,703,326	786,732,387
CURRENT LIABILITIES			
Trade and other payables		587,842,530	595,980,691
Accrued mark up and interest		87,903,587	81,003,001
Short term borrowings		730,473,189	731,192,695
Current portion of			
Long term financing from banking companies - secured		112,597,282	93,143,629
Provision for taxation		5,357,963	5,357,963
		1,524,174,550	1,506,677,979
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	7	2,854,328,176	2,833,033,829

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

Chief Executive

Director

Karachi:
Dated : 30-OCTOBER 2013

TOWELLERS LTD

Condensed Interim Profit and loss Account (Un-audited) For the first quarter ended September 30, 2013

	SEPTEMBER 30 2013 RUPEES	SEPTEMBER 30 2012 RUPEES
Sales and services	925,718,681	632,053,929
Cost of sales	(793,797,958)	(522,966,254)
Gross profit	131,920,723	109,087,675
Distribution cost	(51,061,465)	(29,128,385)
Administrative expenses	(30,199,342)	(38,852,125)
Other operating expenses	(2,117,180)	-
Finance cost	(11,103,613)	(14,875,763)
	(94,481,600)	(82,856,273)
Profit from operations	37,439,123	26,231,402
Other income	2,787,301	7,597,126
Profit before taxation	40,226,424	33,828,528
Provision for taxation	(8,399,587)	(6,146,426)
Profit for the period	31,826,837	27,682,102
Profit per share-basic and diluted	1.87	1.63

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

Chief Executive

Director

Karachi:
Dated : 30-OCTOBER 2013

TOWELLERS LTD

Condensed Interim Statement of Changes in Equity (Un-audited) For the first quarter ended September 30, 2013

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Sub total	
		Share premium	Unappropriated profit/(loss)		
Rupees					
Balance as at July 01, 2012	170,000,000	63,000,000	(514,413,027)	(451,413,027)	(281,413,027)
Total comprehensive profit for the quarter ended September 30, 2012	-	-	27,682,102	27,682,102	27,682,102
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation			4,108,864	4,108,864	4,108,864
Balance as at September 30, 2012	170,000,000	63,000,000	(482,622,061)	(419,622,061)	(249,622,061)
Balance as at July 01, 2013	170,000,000	63,000,000	(452,065,069)	(389,065,069)	(219,065,069)
Total comprehensive profit for the quarter ended September 30, 2013	-	-	31,826,837	31,826,837	31,826,837
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation			10,554,313	10,554,313	10,554,313
Balance as at September 30, 2013	170,000,000	63,000,000	(409,683,919)	(346,683,919)	(176,683,919)

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

Condensed Interim Statement of Comprehensive Income (Un-audited) For the first quarter ended September 30, 2013

	SEPTEMBER 30 2013 RUPEES	SEPTEMBER 30 2012 RUPEES
Profit for the period	31,826,837	27,682,102
Other comprehensive income for the period	-	-
Total comprehensive Profit for the period	<u>31,826,837</u>	<u>27,682,102</u>

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

Chief Executive

Director

Karachi:
Dated : 30-OCTOBER 2013

TOWELLERS LTD

Condensed Interim Cash Flow Statement (Un-audited) For the first quarter ended September 30, 2013

	SEPTEMBER 30 2013 RUPEES	SEPTEMBER 30 2012 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	40,226,424	33,828,528
Adjustments for:		
Depreciation	34,666,045	28,557,450
Finance cost	11,103,613	14,875,763
Gain on disposal of property, plant and equipment	-	(4,560)
Workers' profit participation fund	2,117,180	-
Provision for gratuity	3,842,243	4,066,637
	<u>51,729,081</u>	<u>47,495,290</u>
Profit before working capital changes	91,955,505	81,323,818
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	9,955,241	66,464,948
Trade debts	(47,370,236)	19,136,603
Loans and advances	(4,788,310)	(8,302,388)
Trade deposits and short term prepayments	(7,141,268)	(401,497)
Other receivables	(2,042,383)	1,297,471
	(51,386,955)	78,195,137
(Decrease) / increase in current liabilities		
Trade and other payables	(10,255,341)	(36,253,819)
Cash generated from operations	<u>30,313,208</u>	<u>123,265,136</u>
Finance cost paid	(4,203,027)	(8,103,824)
Taxes paid	(23,560,608)	(6,688,429)
Long term loan paid	(1,912,961)	(2,869,941)
Staff retirement benefits - gratuity net	(4,830,289)	(3,917,754)
Net cash generated from operating activities	<u>(4,193,677)</u>	<u>101,685,188</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	15,000
Fixed capital expenditure	(8,388,656)	(10,069,110)
Net cash used in investing activities	<u>(8,388,656)</u>	<u>(10,054,110)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(7,587,362)	(24,711,848)
Short term borrowings - net	(719,506)	13,807,159
Net cash used in financing activities	<u>(8,306,868)</u>	<u>(10,904,689)</u>
Net increase / (decrease) in cash and cash equivalents	(20,889,201)	80,726,389
Cash and cash equivalents at the beginning of the year	166,718,156	188,693,676
Cash and cash equivalents at the end of the period	<u>145,828,955</u>	<u>269,420,065</u>

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

Chief Executive

Director

Karachi:
Dated : 30-OCTOBER 2013

TOWELLERS LTD

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

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 Karachi and Lahore. 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, 2013.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi and Lahore Stock Exchanges 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 quarter ended September 30, 2013.

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, 2013.

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.

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, 2013.

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, 2013.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		30-Sep-13	30-Jun-13
		Rupees	
Operating assets	5.1	1,631,609,451	1,659,397,235
Capital work in progress-at cost	5.2	1,510,395	891,623
		<u>1,633,119,846</u>	<u>1,660,288,858</u>

5.1 The cost of additions and deletions to property, plant and equipment during the quarter ended September 30, 2013 were as follows:

	30-Sep-13		30-Jun-13	
	Acquisition	Disposal	Acquisition	Disposal
	Cost		Cost	
	Rupees		Rupees	
Owned assets				
Building on freehold land	-	-	25,682,129	-
Plant & machinery	5,839,584	-	62,830,911	-
Office equipment	689,450	-	1,637,506	(1,129,290)
Furniture and fixture	240,350	-	847,685	-
Vehicles	1,000,500	-	3,920,125	(702,186)
Bicycle	-	-	-	(7,500)
Total	7,769,884	-	94,918,356	(1,838,976)

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-13	30-Jun-13
	Rupees	
Building	1,510,395	891,623
	<u>1,510,395</u>	<u>891,623</u>

6 TRADE DEBTS

	(Un-audited)	(Audited)
	30-Sep-13	30-Jun-13
	Rupees	
Secured - considered good		
Foreign debts	335,323,248	261,929,044
Unsecured - considered good		
Foreign debts	54,061,244	71,384,903
Domestic debts	22,846,866	31,547,175
	<u>76,908,110</u>	<u>102,932,078</u>
	412,231,358	364,861,122
Provision for doubtful debts	(18,215,209)	(18,215,209)
	<u>394,016,149</u>	<u>346,645,913</u>

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

Balance as at July 01,	18,215,209	18,215,209
Add: Provision during the period/year	-	-
	<u>18,215,209</u>	<u>18,215,209</u>
Less: Bad debts written off during the period/year	-	-
Balance as at end of the period/year	<u>18,215,209</u>	<u>18,215,209</u>

7 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements except as disclosed in note 7.1 and 7.2 respectively.

	(Un-audited)	(Audited)
	30-Sep-13	30-Jun-13
	Rupees	

7.1 Contingencies

There is no material change in Contingency as disclosed in June 30, 2013 financial statements.

7.2 Commitments

There were no capital commitments as on balance sheet date.

8 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 30th October 2013 by the board of directors of the company.

9 GENERAL

Figures have been rounded off to the nearest rupees.

Chief Executive

Director

Karachi:
Dated : 30-OCTOBER 2013