

# TOWELLERS LIMITED

ANNUAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2022



## **Vision**

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

## **Mission**

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

---

# Contents

	Page
Company Information	3
Notice of Meeting	4
Chairman's Review Report	5
Director's Report	6/8
Corporate Matters	9/10
Independent Auditor's report to the members	11/16
Statement of Compliance with Code of Corporate Governance	17/18
Six Years Comparative Key Operating & Financial Results	19
Balance Sheet	20
Profit and Loss Account	21
Statement of Comprehensive Income / Statement of Changes in Equity	22
Cash Flow Statement	23
Notes to the Accounts	24/44
Pattern of Share Holdings	45
Categories of Shareholding	46
Corporate Governance	47/48
Important Notes for the Share's Holder	49/52
Circulation of Annual Audited Accounts	53
Notice of Meeting (Urdu)	54
Jama Punji	55
Director Report (Urdu)	56/57
Chairman's Review Report (Urdu)	58
Proxy Form (English / Urdu)	59/60

---

# TOWELLERS LIMITED

---

## COMPANY INFORMATION BOARD OF DIRECTORS

Mrs.	Mahjabeen Obaid	Chairperson
Mrs.	Mehreen Obaid Agha	Chief Executive Officer
Mrs.	Sana Bilal	Director
Mrs.	Hadeel Obaid	Director
Mr.	Zeeshan K. Sattar	Director
Mr.	Valy Tariq Rangoon wala	Director
Mr.	Niaz Muhammad	Independent Director
Mr.	Muhammad Sarfraz	Independent Director

## BOARD AUDIT COMMITTEE

Mr.	Muhammad Sarfraz	Chairman
Mrs.	Hadeel Obaid	Member
Mrs.	Sana Bilal	Member

## HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr.	Niaz Muhammad	Chairman
Mr.	Zeeshan K. Sattar	Member
Mr.	Valy Tariq Rangoon wala	Member

## CHIEF FINANCIAL OFFICER

Mr. Adnan Moosaji

## COMPANY SECRETARY

Mr. M. Farhan Adil

## STATUTORY AUDITORS

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

## BANKERS

Soneri Bank Limited  
Allied Bank Limited  
Bank Al Habib Limited  
Muslim Commercial Bank Limited  
Faysal Bank Ltd  
Al Baraka Bank Pakistan Limited  
Dubai Islamic Bank Pakistan Ltd

## REGISTRAR & SHARE REGISTRATION OFFICE

T.H.K., Associates Pvt. Ltd  
Plot No. 32-C,  
Jami Commercial Street – 2  
D.H.A., Phase-VII,  
Karachi, 75500, Pakistan

## REGISTERED OFFICE

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

## Web Site:

**Company Registration**  
C.R. # 0004042

**National Tax**  
NTN 0676889-0,

**& Sales Tax No.**  
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.

## Notice of Annual General Meeting.

Notice is hereby given that the 49<sup>th</sup> Annual General Meeting of the Shareholders of Towellers Limited (the company) will be held at registered Office Towellers House WSA, 30-31, Block-1 Federal B Area Karachi on Wednesday October 26<sup>th</sup> 2022 at 3:30 p.m to transact the following business.

### ORDINARY BUSINESS:

1. To confirm the minutes of the 48 Annual General Meeting held on October 27, 2021.
2. To receive consider and adopt Audited Financial Statements of the Company for the year ended June 30<sup>th</sup> 2022 together with Chairman Review, Directors and Auditors, reports thereon.
3. To consider and approve the payment of final cash dividend for the year ended June 30<sup>th</sup> 2022 @ 100% i.e. PKR 10/- per share as recommended by the Board of Directors.
4. To appoint Auditors for the year ending June 30, 2023, and to fix their remuneration.

### OTHER BUSINESS:

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

### NOTES:

1. The share transfer Books of the Company will remain closed from October 19<sup>th</sup> 2022 to October 26<sup>th</sup> 2022 (Both days inclusive).
2. A member entitled to attend, speak and vote at this AGM shall be entitled to appoint another member as a proxy to attend and vote in the meeting. The Proxy must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. Individuals including all joint holders holding Physical / CDC shares are requested to submit a copy of their valid CNIC to the Company or the Share Registrar.
4. In compliance with the guidelines issued by the Securities & Exchange Commission of Pakistan vide circulars No. 6 of 2021 issued on March 03, 2021, the Company has arranged a video link facility for shareholders to participate in the meeting through their smartphones or computer devices from their any convenient location after completing meeting attendance formalities. Shareholders interested in attending the meeting through the video link are requested to register by submitting their following particulars at the Company Secretary's email ([farhan@towellers.com](mailto:farhan@towellers.com)) not later than 48 hours before the time for holding the meeting. The link to participate in the meeting will be sent to the shareholders at the email address provided by them, i.e. Name, CNIC #, Folio/CDC Account #, Cell # and email. Shareholders can also provide their comments / suggestions for the agenda items of the AGM at the email [farhan@towellers.com](mailto:farhan@towellers.com).
5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and change Commission of Pakistan.
6. Shareholders are requested to intimate any change in their addresses immediately (1) respective CDC Participants and (2) In case of Physical Securities to the Share Registrar of the Company.

By order of the Board  
M. Farhan Adil  
Company Secretary

Karachi: September 30<sup>th</sup> 2022.

## **CHAIRPERSON'S REVIEW REPORT**

I am pleased to present this Review Report to the shareholders of the Company pertaining to the overall performance of the Board of Directors and their effectiveness in guiding the Company towards achieving their targets and leading the Company at new heights by setting goals and targets for coming years.

The Board performed in professional manner for the sustainability of growth, exploring new markets & finding new customers and building confidence of their existing customers by maintaining high quality of its products. The Chief Executive provides reports and updates to the Board on regular basis on areas such as business plans, operating performance, cashflows, relevant financial information and risk management.

By the Grace of Almighty Allah, the Company performed tremendously by nearly doubling the turnover and its profitability. It certainly reflects the dedication by which the Board and its teams have performed during the year. The Board and the whole management team deserves all the credit to themselves in this extraordinary performance. Although there are challenging times ahead, but the Company will still try its best to keep growing consistently. It is understandable, however, that maintaining such a high growth may not be sustainable, particularly, when unprecedented inflation figures are prevailing throughout the world, demands have suppressed, and recession is knocking doors in many countries in the west.

I am also pleased that the Board has decided to announce a healthy dividend after quite a few years, and I would like to thank our members and directors for their patience through all these years. I wish and hope for the consistent growth and profitability of the company which would be mutually beneficial for all stakeholders.

In the end, I would like to congratulate once again to all the Board Members for their remarkable performance and thank them for their commitment and contributions. I would also like to thank shareholders for their trust on the Board of Directors.

Karachi: September 30<sup>th</sup>, 2022

**Mahjabeen Obaid**  
**Chairperson**

## DIRECTORS REPORT TO THE MEMBERS

On behalf of the Board of Directors, It's our pleasure to place before you the Audited Financial Statements of your Company for the year ended June 30th, 2022. 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.

### ECONOMIC OVERVIEW

Financial year 2021-22 was the year during which the economy and trade recovered after the Covid-19 had badly affected the world economies during the past two years. The GDP growth of the Country was recorded at 5.97% and the overall size of the GDP became Rs. 66.95 T and \$ 383 B. The Per Capita Income became \$ 1,798 which reflects an improvement in prosperity due to the fact that economic growth per person improved.

Total exports of the Country for the year 2022 grew to US\$ 31.8 Billion at 25.5% higher than the previous year.

While the preceding fiscal year saw a surge in demand, the onset of the new year however is painting a different story. Growing inflation and the fear of recession across the world pose a big challenge to the exporters and manufacturers of Pakistan. Further, the devastating floods across the country during this monsoon season have resulted in great losses and have created further strain on the Country's economy. We remain hopeful that the Country comes out of these difficult times and gets on the recovery path in the coming months.

Textile exports during the year 2021-22 surged to US\$ 19.33 Billion at a growth rate of 25.5% compared to the last year, which fell just short of the target of US\$ 20 Billion for the same year. Government has set the textile export target of US\$ 25 Billion for the year 2022-23.

### COMPANY'S PERFORMANCE

Alhamdulillah, this has been a tremendous year in terms of turnover and profitability by the grace of Almighty Allah. The Company has achieved a turnover of Rs. 10.24 Billion as compared to Rs. 5.22 Billion last year, posting an unprecedented growth of 96%.

Net profit after tax of Rs. 1.06 Billion was recorded (2021: Rs.556.46 Million) whereas the earning per share remained at 62.53 per share (2021: 32.73 per share) despite the additional provision of Super Tax levied during the year.

Company's directors, management team, staff and workers have worked hard with utmost dedication to achieve this remarkable performance. Market driven currency exchange rates, which prevailed during the year, also helped the Company to increase its price competitiveness. Your Company is determined to keep achieving better growth, performance and profitability with the help and support of its team and shareholders.

Following is the summarized P&L for a quick review:

	Rupees in Thousands	
	30-JUN-2022	30-JUN-2021
Sales (Net)	10,238,086	5,220,747
Gross Profit	2,086,932	1,111,536
Distribution Cost	512,916	198,402
Administrative Expenses	333,125	285,427
Other Operating Expenses	75,174	33,444
Other Income	42,526	25,389
Finance Cost	23,250	5,444
Profit Before Taxation	1,184,994	614,208
Profit After Taxation	1,063,048	556,456
Earning Per Share	62.53	32.73

## PERFORMANCE OF THE COMPLETED PROJECTS

Following are the results of the completed projects which were undertaken during the previous year:

### i) Solar Power Project

After the factory, the Company has also equipped its head office building with solar power generation devices, to further enhance efficiency and cost savings.

### ii) Dyeing Department

During the year, the Company has invested extensively in state of the art dyeing and finishing equipment to increase its efficiency and to reduce the variable manufacturing costs. These machines encourage sustainable manufacturing practices to account for climate change and reduce our carbon footprint. The equipment is already in use and paying for itself in way of lowering our dyeing costs, water consumptions and increased margins. Besides the processing equipment, the company has also invested in a screen printing plant which has enhanced the quality of our finished product.

## 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, 2022 is annexed to this report.

## DIRECTOR TRAINING

The Company takes keen interest in the professional development of its Board Members. Directors are kept updated about relevant laws and current matters regarding Corporate Governance and other regulatory changes. Four directors of the company have completed certification from **Pakistan Institute of Corporate Governance (PICG)** in compliance with the CCG rules.



# TOWELLERS LIMITED

---

## **TRADING**

No trading in the shares of the Company was carried out by the Board of Directors, CEO, CFO, Company Secretary and Head of Internal Audit, along with their spouses and minor children except the transactions mentioned in the pattern of shareholding.

## **DIVIDEND**

Expecting a healthy profit during the year, the Company announced and distributed 20% interim dividend. Now your directors are pleased to inform that a 100% dividend has been proposed which will be subjected to the members' approval at Annual General Meeting. This was possible due to the dedication of your directors and a professional management of the Company who worked hard throughout the turbulent periods to sustain growth. We also thank our esteemed shareholders for their patience and understanding over the previous few years when the Company did not have the liquidity to pay dividends. We hope and pray that the Company keeps growing and making profits at a consistent rate in future for the mutual benefits of its stakeholders.

## **EARNINGS PER SHARE**

The basic and Diluted earnings per share After tax is Rs. 62.53 (2021-Rs. 32.73)

## **CHAIRPERSON'S REVIEW**

The Chairperson's review is part of this annual report and directors of Company fully endorse contents therein.

## **AUDITORS**

The present auditors M/s Mushtaq and Co. Chartered Accountants retire and offer themselves for re-appointment. 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, 2023.

## **ACKNOWLEDGEMENT**

Your directors would like to express their gratitude to all the stakeholders and appreciate them for their encouragement and support. We also appreciate members of the Company for their commitment, dedication and hard work put by them, and our shareholders, who have always shown their confidence and faith in the Company.

**September 30, 2022**

**Director**

**Chief Executive Officer**

# TOWELLERS LIMITED

---

## COMPOSITION OF THE BOARD

The present Board of Directors comprises a well balanced mix of executive, non-executive and independent Directors. It has eight Directors the position of Chairperson and Chief Executive Officer are held by separate individuals, Mahjabeen Obaid hold the position of Chairperson of the Board while Mehreen Obaid Agha is CEO/MD of the Company.

### TOTAL NUMBER OF DIRECTORS

- a. Male 4
- b. Female 4

### COMPOSITIONS

- a. Independent Directors 2
- b. Non-Executive Directors 5
- c. Executive Directors 1

### CHANGES IN BOARD CASUAL VACANCY

During the year casual vacancy accrued due to sudden and sad demise of Mr. Abdul Jalil Shariff who was a Non-executive director of the Company. Casual vacancy was filled by appointing Mr. Vally Tariq Rangoonwala as non executive director.

Outgoing Director	New Director	Appointment Date
Abdul Jalil Shariff	Vally Tariq Rangoonwala	March 18 <sup>th</sup> 2022

During the year the Company appointed Mr. Niaz Mohammad as the second independent director in compliance with the rules of Code of Corporate Governance 2019.

During the year Four (4) meetings of the Board were held in which the attendance by each Directors was as follows.

Name of Directors	Number of Meetings attended
Mehreen Obaid Agha	4
Mahjabeen Obaid	4
Sana Bilal	4
Hadeel Obaid	3
Zeeshan K. Sattar	2
Abdul Jalil Shariff	2
Muhammad Sarfraz	2
Niaz Muhammad	1

### COMMITTEES OF THE BOARD

The Board has formed two sub committees namely Audit and Human Resource and Remuneration Committees.

#### AUDIT COMMITTEE

The Board has re-constituted Audit committee consist of three members including Chairman of the Committee. The Committee regularly meets as per requirement of the Code. The Committee assists the Board in reviewing internal audit system, The committees comprising of members given belows.

# TOWELLERS LIMITED

---

## **Audit Committee**

Muhammad Sarfraz	Chairman
Hadeel Obaid	Member
Sana Bilal	Member

During the year Four (4) meetings of Audit Committee were held in which the attendance by each Director was as follows:

<b>Name of Directors</b>	<b>Number of Meetings attended</b>
Sana Bilal	4
Hadeel Obaid	3
Muhammad Sarfraz	2

## **HUMAN RESOURCE COMMITTEE**

The Board has reconstituted a HR and remuneration Committee in compliance with the code of Corporate Governance. The HR and remuneration Committee is performing its duties in line with its terms of reference as determined by the Board.

One meeting was held during the financial year ended June 30, 2022 (Mr. Niaz Muhammad was appointed in the HR & remuneration Committee on March 18, 2022).

## **HR AND REMUNERATION COMMITTEE**

Niaz Muhammad	Chairman
Zeeshan K. Sattar	Member
Valy Tariq Rangoonwala	Member

## **COMPLIANCE WITH THE BEST PRACTICES OF CORPORATE GOVERNANCE**

The Board is pleased to state that the management of the Company is compliant with the best practices of corporate governance. The Board acknowledges its responsibility in respect of the corporate and financial reporting framework and thus states that:

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements except as disclosed and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards and International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the regulations of Rule Book of Pakistan Stock Exchange.
- The highlights of operating and financial data for the last six years are annexed in the Annual Report.

**MUSHTAQ & CO.**  
**CHARTERED ACCOUNTANTS**

Head Office: 407, Commerce Centre, Faisal Mohori Road, Karachi-1  
Email: info@mushtaqandco.com, a/c@mushtaqandco.com



leading edge alliance  
integrity • quality • excellence  
Member firm

**Independent Auditors' 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, 2022, 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 (XXIX 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, 2022 and of the profit 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 Auditors' 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.

## TOWELLERS LIMITED

### Key Audit Matters

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. Following are the Key audit matters:

S. No.	Key audit matter	How the matter was addressed in audit
1	<p><b>Stock in trade</b></p> <p>Refer to note no. 8 to the audited financial statements, the company has stock in trade aggregating Rs.1,490.83 million comprising raw materials, work in process and finished goods. We identified this area as a key audit matter.</p>	<p>Our audit procedures in respect of this area include:</p> <p>Observation of physical inventory count procedures and compared on a sample basis, physical count with valuation sheets;</p> <p>Compared on a sample basis specific purchases and directly attributable cost with underlying supporting documents;</p> <p>Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stock in accordance with applicable accounting and reporting standards; and</p> <p>We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.</p>

<p>2</p>	<p><b>Defined Benefit Obligations (Gratuity)</b></p> <p>Refer to note no. 18 to the audited financial statements.</p> <p>The Company operates an unfunded gratuity plan, giving rise to net liability of Rs.176.66 million, which is significant in the context of the overall balance sheet of the Company.</p> <p>The valuation of liability requires judgment and technical expertise in choosing appropriate assumptions. Changes in a number of the key assumptions, including:</p> <ul style="list-style-type: none"> <li>- salary increase and inflation;</li> <li>- discount rate; and</li> <li>- mortality.</li> </ul> <p>All can have a material impact on the calculation of the liability. The Company uses external actuaries to assist in assessing these assumptions and calculations of these liabilities.</p> <p>The use of these actuaries increases the risk of error as data is passed to third parties for analysis and calculation purposes.</p>	<p>We evaluated the qualification of actuary and assessed, whether the assumptions used in valuation report for calculating the gratuity plan liabilities, including salary increases, inflation, mortality rate and discount rate assumptions, were reasonable and consistent with based on national and industry data. We were satisfied that the rates used fell within acceptable ranges.</p> <p>We understood and tested key controls over the completeness and accuracy of data extracted and supplied to the Company's actuary</p> <p>We also performed sample testing to agree underlying employee data, supporting human resources documentation and assessed the appropriateness of the closing liability based on known movements and assumptions. No issues were identified to raise concerns over the valuation of the gratuity liability.</p> <p>We also read and assessed the disclosures made in the financial statements, including disclosures of the assumptions, and found them to be appropriate.</p>
----------	--	--

*m*

### *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, and information expected to be made available to us after the date of auditor's report; 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.

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.



# TOWELLERS LIMITED

---

## 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) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII OF 1980). was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Zahid Hussain Zahid, FCA.

Karachi.

Dated: 30<sup>th</sup> September, 2022

UDIN: AR202210043oKxT20sdm



MUSHTAQ & CO.

Chartered Accountants

## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30<sup>th</sup> 2022

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	4
Female	4

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Director	Muhammad Sarfraz Niaz Muhammad
Non-Executive Directors	Mahjabeen Obaid Zeeshan K. Sattar Valy Tariq Rangoonwala Hadeel Obaid Sana Bilal
Executive Directors	Mehreen Obaid Agha

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company alongwith 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 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 the Board/shareholders as empowered by the relevant provisions of the Companies Act 2017 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 the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Six out of Eight directors complied with the requirements of Directors Training Program. The remaining Director are expected to get training in future.
10. The Board has approved appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The board has formed committees comprising of members given below:

### Audit Committee

- |                    |          |
|--------------------|----------|
| - Muhammad Sarfraz | Chairman |
| - Hadeel Obaid     | Member   |
| - Sana Bilal       | Member   |

# TOWELLERS LIMITED

---

## HR and Remuneration Committee

- Niaz Muhammad Chairman
- Zeeshan K. Sattar Member
- Valy Tariq Rangoonwala 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 (Quarterly/half yearly/yearly) of the committees were as per following:

Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2022
HR and Remuneration Committee	One meeting was held during the financial year ended June 30, 2022

15 The Board has set up an effective internal audit function, who are considered suitably qualified and experienced for the purpose and are 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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, 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 requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19 Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33, and 36 are below (if applicable).

S.No	Non-Mandatory Requirement	Explanation	Reg.No.
1.	<b>Requirement to attain certification:</b> Six Directors are meeting the requirement of DTP .	Currently, 6 out of 8 directors have meet the requirement of DTP. The remaining directors training is In process.	(19)
2.	<b>Responsibilities of the Board and its Members:</b> The Board is responsible for adoption of Corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full Compliance with all the provisions of the Regulations.	10(1)

Independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. They fulfill the necessary requirements as per applicable laws and regulations.

**Mahjabeen Obaid**  
Chairperson

Dated: September 30th, 2022

## TOWELLERS LIMITED

**SIX YEARS AT GLANCE  
FROM 2016 TO 2022  
RUPEES IN THOUSANDS**

PARTICULARS	2022	2021	2020	2019	2018	2017
Turn over-Net	10,238,086	5,220,747	3,772,254	3,848,285	2,605,809	2,686,140
Cost of sales	8,151,154	4,666,908	3,071,384	2,985,218	2,217,211	2,319,246
Gross profit / (loss)	2,086,932	553,839	700,870	863,067	388,598	366,895
Profit/(loss) from operation	1,208,243	61,956	321,304	457,560	284,807	94,121
Finance cost	23,250	5,444	6,388	6,482	5,201	6,398
Profit/(loss) before taxation	1,184,994	56,512	314,915	451,077	279,606	87,723
Profit / (loss) after taxation	1,063,048	(1,240)	275,894	402,684	253,606	61,695
Dividend	34,000	-	-	-	-	-

### FINANCIAL DATA

Fixed assets-w.d.v	3,142,611	1,810,526	1,663,761	1,231,256	1,264,375	989,150
Long term loans	20,487	19,501	16,861	12,851	10,643	12,041
Long term deposits	35,321	29,349	16,875	19,755	19,755	6,530
Current assets	4,632,048	2,440,060	1,852,202	1,475,871	1,048,309	955,356
<b>Total</b>	<b>7,830,468</b>	<b>4,299,437</b>	<b>3,549,699</b>	<b>2,739,733</b>	<b>2,343,082</b>	<b>1,963,078</b>

### EQUITY & LIABILITIES

Equity	5,391,114	2,720,023	2,714,251	2,053,845	1,631,240	491,128
Non current liabilities	176,663	186,212	163,376	97,902	111,449	204,153
Current liabilities	2,252,443	860,263	672,072	587,986	600,393	670,531
<b>Total</b>	<b>7,820,221</b>	<b>3,766,498</b>	<b>3,549,699</b>	<b>2,739,733</b>	<b>2,343,082</b>	<b>1,365,812</b>

### KEY RATIOS%

Gross margine%	20.38	10.61	18.58	22.43	14.91	13.66
Net profit (loss)%	10.38	(0.02)	7.31	10.46	9.73	2.30
Quick acid ratio%	0.99	0.90	1.32	1.20	0.62	0.59
EBIT margine%	11.80	1.19	8.52	11.89	10.93	3.50
Current ratio%	2.06	2.84	2.76	2.51	1.75	1.42
Earning/(loss) per share Rs	62.53	(0.07)	16.23	23.69	14.92	3.63
Dividend payout ratio	3.20	-	-	-	-	-
Debt equity ratio%	0.45	0.38	0.31	0.33	0.44	1.78

# TOWELLERS LIMITED

## STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	3,142,611,158	1,810,525,586
Long term loans and advances	5	20,486,758	19,501,496
Long term deposits	6	35,321,400	29,349,160
		3,198,419,316	1,859,376,242
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	7	77,853,375	50,934,963
Stock in trade	8	1,490,829,863	1,101,733,164
Trade debts	9	1,546,987,008	452,800,675
Loans and advances	10	61,394,555	52,890,096
Trade deposits and short term prepayments	11	23,495,653	16,738,365
Other receivables	12	64,796,301	187,025,341
Income tax and sales tax refundable	13	474,606,754	275,128,247
Short term investment	14	228,413,351	-
Cash and bank balances	15	663,671,503	300,397,215
		4,632,048,363	2,437,648,067
		<b>7,830,467,679</b>	<b>4,297,024,309</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
25,000,000 (June 30, 2021: 25,000,000) ordinary shares of Rs. 10 each		250,000,000	250,000,000
Issued, subscribed and paid up capital	16	170,000,000	170,000,000
Reserves		3,030,788,603	1,928,578,690
Surplus on revaluation of property, plant & equipment	17	2,190,325,270	1,179,141,159
		5,391,113,873	3,277,719,849
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Staff retirement benefits	18	176,663,441	174,793,710
Long term loan	19	10,247,077	-
		186,910,518	174,793,710
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	1,454,058,992	844,510,750
Unclaimed dividend	21	585,945	-
Accrued markup	22	5,933,851	-
Current portion long term loan	19	853,923	-
Short term borrowings	23	791,010,577	-
		2,252,443,288	844,510,750
<b>CONTINGENCIES AND COMMITMENTS</b>	24	-	-
		<b>7,830,467,679</b>	<b>4,297,024,309</b>

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

Mehreen Obaid Agha  
Chief Executive

Sana Bilal  
Director

Adnan Moosaji  
Chief Financial Officer

Karachi, September 30<sup>th</sup>, 2022

## TOWELLERS LIMITED

### STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
Sales - net	25	10,238,086,187	5,220,747,171
Cost of sales	26	(8,151,154,374)	(4,109,211,538)
<b>Gross profit</b>		<b>2,086,931,813</b>	<b>1,111,535,633</b>
Distribution cost	27	(512,915,891)	(198,401,983)
Administrative expenses	28	(333,124,798)	(285,426,637)
Other operating expenses	29	(75,173,946)	(33,443,585)
Other income	30	42,526,295	25,388,877
		(878,688,340)	(491,883,329)
<b>Profit from operations</b>		<b>1,208,243,473</b>	<b>619,652,305</b>
Finance cost	31	(23,249,556)	(5,444,177)
<b>Profit before taxation</b>		<b>1,184,993,917</b>	<b>614,208,128</b>
Provision for taxation	32	(121,945,732)	(57,751,775)
<b>Profit for the year</b>		<b>1,063,048,185</b>	<b>556,456,353</b>
<b>Earnings per share - basic and diluted</b>	33	<b>62.53</b>	<b>32.73</b>

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

Mehreen Obaid Agha  
Chief Executive

Sana Bilal  
Director

Adnan Moosaji  
Chief Financial Officer

Karachi, September 30<sup>th</sup>, 2022

# TOWELLERS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>Profit for the year</b>		1,063,048,185	556,456,353
<b>Other comprehensive income for the year</b>			
<i>Items that will not be reclassified to profit and loss account</i>			
Gain/(Loss) on remeasurement of staff retirement benefits	18.1	17,110,214	7,012,820
Surplus on revaluation of land, building & plant and machinery		1,067,235,625	-
<b>Total comprehensive income for the year</b>		<b>2,147,394,024</b>	<b>563,469,173</b>

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

## STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2022

Particulars	Issued, subscribed and paid up capital	Capital Reserve: Share premium	Reserves		Sub Total	Revaluation Surplus	Total
			Revenue Reserve	Unappropriated profit			
Rupees							
<b>Balance as at June 30, 2020</b>	170,000,000	63,000,000	1,254,201,714	1,317,201,714	1,227,048,962	2,714,250,676	
Profit for the year	-	-	556,456,353	556,456,353	-	556,456,353	
Other comprehensive income for the year	-	-	7,012,820	7,012,820	-	7,012,820	
Transferred from surplus on revaluation of property, plant & equipment	-	-	47,907,803	47,907,803	(47,907,803)	-	
<b>Balance as at June 30, 2021</b>	170,000,000	63,000,000	1,865,578,690	1,928,578,690	1,179,141,159	3,277,719,849	
Profit for the year	-	-	1,063,048,185	1,063,048,185	-	1,063,048,185	
Other comprehensive income for the year	-	-	17,110,214	17,110,214	1,067,235,625	1,084,345,839	
Interim dividend of PKR 2.00 per share for the half year ended Dec 31, 2021	-	-	(34,000,000)	(34,000,000)	-	(34,000,000)	
Transferred from surplus on revaluation of property, plant & equipment	-	-	56,051,514	56,051,514	(56,051,514)	-	
<b>Balance as at June 30, 2022</b>	170,000,000	63,000,000	2,967,788,603	3,030,788,603	2,190,325,270	5,391,113,873	

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

Mehreen Obaid Agha  
Chief Executive

Sana Bilal  
Director

Adnan Moosaji  
Chief Financial Officer

Karachi, September 30<sup>th</sup>, 2022

# TOWELLERS LIMITED

## CASH FLOWS STATEMENT For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,184,993,917	614,208,128
<b>Adjustments for:</b>			
Depreciation		116,430,012	93,947,222
Amortization		337,769	375,299
Staff retirement benefits - gratuity		46,196,590	42,772,685
Finance cost		23,249,556	5,444,177
Workers' profit participation fund		62,368,101	32,326,744
(Gain) / loss on disposal of property, plant and equipment		(5,075,108)	(1,774,298)
		243,506,920	173,091,829
Profit before working capital changes		1,428,500,837	787,299,957
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(26,918,412)	(23,931,739)
Stock in trade		(389,096,699)	(533,764,886)
Trade debts		(1,094,186,333)	57,548,762
Loans and advances		(8,504,460)	(39,712,193)
Trade deposits and short term prepayments		(6,757,288)	11,141,977
Other receivables		122,229,040	(100,766,452)
		(1,403,234,152)	(629,484,532)
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		579,506,885	156,686,185
Cash generated from operations		604,773,570	314,501,610
Finance cost paid		(17,315,706)	(5,444,177)
Taxes (paid) / received		(321,424,236)	(63,612,044)
Workers' profit participation fund paid		(32,326,744)	(16,574,499)
Long term loan to employees		(985,262)	(2,640,561)
Long term deposits		(5,972,240)	(12,473,840)
Staff retirement benefits - gratuity paid		(27,216,645)	(24,341,786)
<b>Net cash generated from operating activities</b>		199,532,737	189,414,704
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		12,150,000	10,931,000
Short term investment		(228,413,351)	-
Fixed capital expenditure		(388,692,620)	(250,243,991)
<b>Net cash used in investing activities</b>		(604,955,970)	(239,312,991)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term borrowings		11,101,000	-
Short term borrowings		791,010,577	-
Dividend paid		(33,414,055)	-
<b>Net cash used in financing activities</b>		768,697,522	-
<b>Net increase in cash and cash equivalents</b>		363,274,288	(49,898,287)
<b>Cash and cash equivalents at the beginning of the year</b>		300,397,215	350,295,502
<b>Cash and cash equivalents at the end of the year</b>	15	663,671,503	300,397,215

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

Mehreen Obaid Agha  
Chief Executive

Sana Bilal  
Director

Annan Moosaji  
Chief Financial Officer

Karachi, September 30<sup>th</sup>, 2022



# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

### 1 LEGAL STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a Private Limited Company on 31st May 1973 (Under Companies Act 1913) and subsequently converted into Public Limited Company on 22nd June 1994 under the Companies Ordinance 1984, (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 locations and addresses of all business units of the Company:

**Head office:** WSA - 30 & 31, Block - 1, Federal "B" Area Karachi.

**Manufacturing units of the Company:**

- a) WSA - 30 Block - 1, 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 provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions 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 as otherwise disclosed in the respective accounting policy notes.

#### 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 to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of financial statements (Amendments)	January 1, 2023
IAS 8 Accounting policies, changes in accounting estimates and errors	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3 Business Combinations (Amendments)	January 1, 2022
IFRS 7 Financial Instruments : Disclosures (Amendments)	January 1, 2021
IFRS 9 Financial Instruments (Amendments)	January 1, 2021
IFRS 16 Leases (Amendments)	January 1, 2021

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance contracts

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

The following interpretation issued by the IASB has been waived off by SECP:

IFRIC 12 - Service concession arrangements

As per Securities and Exchange Commission of Pakistan (SECP) SRO 985 (1)/ 2019, dated September 2, 2019, for companies holding financial assets due from Government of Pakistan, the requirements contained in IFRS 9 with respect to expected credit losses method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 - Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on its financial statements.

### 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

These are stated at cost less accumulated depreciation and any identified impairment loss, except land which is stated at revalued amount less any identified impairment loss (if any), while building, plant and machinery are stated at revalued amount less accumulated depreciation and 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, 2021 has not required any adjustment, as its impact is considered insignificant.

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

#### 3.2 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 Intangible assets

These are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization is provided on straight line method. A full month's amortization is charged in the month of addition, and no amortization is charged in the month of de-recognition.

Rate of amortization, which is disclosed in the relevant note, is designed to write-off the cost over the estimated useful life of the intangible asset.

The carrying value of the intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

#### 3.4 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.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended June 30, 2022

**3.5 Loans, advances, deposits and other receivables**

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

**3.6 Stores, spares and loose tools**

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

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

**3.7 Stock-in-trade**

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

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

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

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

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

**3.8 Trade debts**

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

**3.9 Staff retirement benefits - gratuity**

The Company operates an 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. Liability is adjusted annually to cover the obligation and the adjustment is charged to profit or loss. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

There is risk that the final salary at the time of cessation of service is greater than what the entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Amounts recognized in the balance sheet represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

Actuarial gains and losses are recognized in comprehensive income for the period in which these arise.

**3.10 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.

**3.11 Taxation****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.

**3.12 Dividend**

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

**3.13 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.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended June 30, 2022

**3.14 Revenue recognition**

- a) According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.
- 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.

**3.15 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.

**3.16 Foreign currency transactions**

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.

**3.17 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.

**3.18 Impairment****Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Non-Financial Assets**

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**3.19 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.

# TOWELLERS LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

### 3.20 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.

### 3.21 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 Act, 2017.

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.

### 3.22 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business; The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further, the company is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended June 30, 2022

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2022 Rupees	2021 Rupees
Operating fixed assets	4.1	2,591,994,159	1,641,921,654
Capital work in progress - at cost	4.5	247,877,082	165,227,305
Intangible Assets	4.6	3,829,918	2,277,687
		<u>3,142,811,159</u>	<u>1,810,323,396</u>

4.1 Operating fixed assets

	Building on leasehold land	Plant & machinery	Electric installations	Car installations	Furniture & fixtures	Office equipment	Bicycles	Vehicles	Waste water treatment plant	Solar plant	Total
At July 01, 2021	796,900,799	565,108,175	92,870,116	11,622,661	265,294	21,740,585	132,658,046	89,263,113	19,614,667	54,339,907	2,094,832,694
Cost	-	(171,967,669)	(81,949,894)	(11,222,251)	(123,296)	(13,515,287)	(72,637,939)	(20,371)	(5,434,742)	(4,797,137)	(412,862,549)
Accumulated depreciation											
Net book value	796,900,799	393,140,506	30,920,312	390,710	80,014	8,395,398	60,020,116	2,804	34,963,707	29,632,770	1,641,820,654
Year ended June 30, 2022											
Opening net book value	796,900,799	393,140,506	30,920,312	390,710	80,014	8,395,398	60,020,116	2,804	34,963,707	29,632,770	1,641,820,654
Additions during the year	-	779,286	263,460,293	-	-	3,697,414	15,374,123	-	1,224,008	-	238,222,651
Additions (Transferred from CWIP)	-	-	67,620,133	-	-	-	-	-	-	-	67,620,133
Revaluations	912,021,231	115,083,086	42,120,298	-	-	-	-	-	-	-	1,069,224,615
Disposals / transfers	-	-	(15,425,244)	-	-	-	-	-	(2,676,000)	-	(18,101,244)
-Cost	-	-	29,461,434	-	-	-	-	-	2,866,918	-	31,728,352
-Accumulated depreciation	-	(48,882,247)	(47,466,287)	(91,071)	(8,001)	(958,233)	(6,622,698)	(203)	(7,434,738)	(3,075,218)	(116,480,012)
Depreciation charge for the year	-	458,199,080	562,222,428	531,639	72,012	31,869,678	68,871,335	1,804	24,241,675	12,781,859	46,249,467
Closing net book value June 2022	1,708,923,530	458,199,080	562,222,428	531,639	72,012	31,869,678	68,871,335	1,804	24,241,675	12,781,859	2,591,994,159
Annual depreciation rate % / Useful life	-	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended June 30, 2022

2021

As July 01, 2020

	Leasehold land	Building on leasehold land	Plant & machinery	Electric installation	Car installation	Furniture & fixture	Office equipment	Bicycles	Vehicles	Motor Treatment Plant	Total
Cost	796,061,799	565,106,175	376,675,292	11,822,861	265,344	19,663,420	178,496,104	22,237	67,098,287	34,328,967	2,101,951,263
Accumulated depreciation-estimated	-	(128,277,946)	(81,178,260)	(11,196,517)	(116,460)	(12,674,546)	(66,716,983)	(20,146)	(98,016,771)	(3,889,192)	(353,445,428)
<b>Net book value</b>	<b>796,061,799</b>	<b>436,828,229</b>	<b>295,497,032</b>	<b>666,344</b>	<b>148,884</b>	<b>6,988,874</b>	<b>111,779,121</b>	<b>2,091</b>	<b>67,000,516</b>	<b>30,439,775</b>	<b>1,748,505,835</b>
<b>Year ended June 30, 2021</b>											
Opening net book value	796,061,799	436,828,229	295,497,032	666,344	148,884	6,988,874	111,779,121	2,091	67,000,516	30,439,775	1,657,507,653
Additions during the year	-	-	3,819,672	-	-	2,180,555	13,311,936	-	24,902,628	-	72,214,841
Additions (Transferred from CNIP)	-	-	15,302,105	-	-	-	-	-	-	-	15,302,105
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals / transfers	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	(40,904,833)	-	-	-	-	-	(2,733,893)	-	(43,638,726)
Accumulated depreciation	-	-	31,084,483	-	-	-	-	-	2,547,618	-	33,632,101
Depreciation charge for the year	-	(15,663,123)	(51,771,827)	(65,634)	(8,800)	(841,841)	(5,920,649)	(223)	(6,828,254)	(1,575,550)	(85,947,222)
Closing net book value June 2021	796,061,799	393,148,106	300,923,372	590,710	140,084	5,347,033	105,858,472	1,868	60,172,262	28,864,225	1,664,568,631
Annual depreciation rate % / Useful life	-	10%	10%	10%	9%	10%	10%	10%	20%	10%	10%

Lease hold land and building are located at Block-1 E.B Area Industrial Area Karachi with an area of 500 (2021: 500) square yards.  
Lease hold land and building are located at North Karachi Industrial Area Karachi with an area of 3,844.44 (2021: 3,844.44) square yards.  
Lease hold land and building are located at North Karachi Industrial Area Karachi with an area of 8,908.44 (2021: 8,908.44) square yards.

4.1.1 The depreciation charge for the year has been allocated as follows:

	Note	Expenses	Expenses
Cost of sales	26.1	101,211,430	80,356,735
Administrative expenses	28	15,216,782	13,990,467
		<u>116,428,212</u>	<u>94,347,202</u>

# TOWELLERS LIMITED

## NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

### 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>Plant &amp; Machinery</b>							
Binas jacquard	Khawar Mahmood	34,213,244	28,446,683	5,766,561	8,200,000	2,433,439	Negotiation
Softflow Machine	Noor Ul Hakeem	1,712,000	1,214,751	497,249	1,500,000	1,002,751	Negotiation
		35,925,244	29,661,434	6,263,810	9,700,000	3,436,190	
<b>Motor Vehicle</b>							
Toyota Corolla AHE-280	M.Farzan Ejiba	1,189,000	1,163,397	25,603	700,000	674,397	Negotiation
Toyota Corolla ASY-690	EFU Insurance	1,235,000	471,880	763,120	1,600,000	836,880	Insurance claim
Suzuki Khyber ACD-081	M.Imran Sheikh	434,000	431,641	2,359	150,000	147,641	Negotiation
		2,878,000	2,066,918	811,082	2,450,000	1,638,918	
	2022	38,803,244	31,728,352	7,074,892	12,150,000	5,075,108	
	2021	43,664,803	34,508,101	9,156,702	10,931,000	1,774,298	

### 4.4 Had there been no revaluation the related figures of land, building and plant and machinery at June 30, 2022 would have been as follows:

	Cost as on June 30, 2022	Accumulated depreciation	Book value June 30, 2022	Cost as on June 30, 2021	Accumulated depreciation	Book value June 30, 2021
Leasehold land- restated	19,327,159	-	19,327,159	19,327,159	-	19,327,159
Building on leasehold land	441,250,765	461,588,839	(20,318,074)	440,480,179	412,786,092	27,714,087
Plant and machinery	1,379,378,052	779,673,661	599,704,391	1,175,917,659	731,827,264	444,090,395
	1,839,955,976	1,241,242,500	598,713,476	1,635,724,997	1,144,593,356	491,131,641

### 4.5 Capital work in progress - at cost

	2022 Rupees	2021 Rupees
Building - civil works	103,099,420	37,503,407
Plant and machinery	212,997,793	127,723,638
	315,697,213	165,227,045

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

Balance at the beginning of the year	165,227,045	6,252,985
<b>Additions during the year:</b>		
Building - civil works	65,596,013	35,003,407
Plant and machinery	84,874,155	143,025,743
	150,470,168	178,029,150
<b>Transfer to operating fixed assets:</b>		
Plant and machinery	67,820,131	15,302,105
Soft ware	-	3,752,985
	67,820,131	19,055,090
Balance at the end of the year	247,877,082	165,227,045

### 4.6 Intangible Assets

Transferred from CWIP-Software	3,377,687	3,752,985
Less: Amortization	(337,769)	(375,299)
	3,039,918	3,377,687
Amortization rate	10%	10%



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>5 LONG TERM LOANS AND ADVANCES</b>			
<b>Loan to employees - secured</b>			
Executives	5.1	22,226,010	18,779,106
Other employees		3,440,512	6,220,547
		25,666,522	24,999,653
<b>Current portion of loans shown under current assets</b>			
Executives	10	(3,295,412)	(2,749,950)
Other employees	10	(1,884,352)	(2,748,207)
		(5,179,764)	(5,498,157)
		<u>20,486,758</u>	<u>19,501,496</u>
<b>5.1 Movement in loans to executives</b>			
Balance at the beginning of the Year		18,779,106	18,191,321
Amount disbursed during the year		16,154,350	3,728,674
		34,933,456	21,919,995
Amount recovered during the Year		(12,707,446)	(3,140,889)
Balance at the end of the Year		<u>22,226,010</u>	<u>18,779,106</u>
5.1.1 These are interest free loans recoverable in monthly installments . These loans are secured against employees' retirement benefit obligation-grahity.			
5.1.2 Maximum amount due from executives during the year, calculated by reference to month-end balances, was Rs.20,226,100 (June 30, 2021: Rs.19,099,143).			
<b>6 LONG TERM DEPOSITS</b>			
Security deposits		35,321,400	29,349,160
<b>7 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores		71,426,717	50,304,465
Spare parts and loose tools		6,426,658	630,498
		<u>77,853,375</u>	<u>50,934,963</u>
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	8.1	645,288,150	427,722,818
Work in process		445,969,783	448,502,819
Finished goods	8.2	399,571,930	225,507,527
		<u>1,490,829,863</u>	<u>1,101,733,164</u>
8.1 Raw material stock cost PKR: Nil have been valued at PKR: Nil being the replacement cost of raw material. The amount charge to profit and loss in respect of raw material written down to net realizable value is PKR: Nil.			
8.2 Finished Goods stock cost PKR: Nil have been valued at PKR: Nil being the net realizable value of finished goods. The amount charge to profit and loss in respect of Finished Goods written down to net realizable value is PKR: Nil.			
8.3 No item of stores, spare and loose tools is pledged as security as at reporting date.			
8.4 The stated stocks includes waste stock and valued at NRV.			

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>9 TRADE DEBTS</b>			
Secured against letter of credit			
Foreign debts	9.1	191,427,306	319,138,225
Unsecured- considered good			
Foreign debts		1,362,073,279	124,653,946
Domestic debts		8,113,026	9,070,437
Allowance for ECL	9.2	(14,626,603)	(61,932)
		<u>1,546,987,008</u>	<u>452,800,675</u>
9.1 Foreign debts are secured against letter of credit.			
9.2 Particulars of allowance for ECL on doubtful debts			
Balance at beginning of the year		61,932	-
Allowance no longer required / recovered		-	-
Charge during the year		14,564,671	61,932
Balance at the end of the year		<u>14,626,603</u>	<u>61,932</u>
<b>10 LOANS AND ADVANCES</b>			
Loan to employees-Secured against gratuity			
Executive - secured	5.1.1	3,295,412	2,749,950
Others - secured	5.1.1	1,884,352	2,748,207
		5,179,764	5,498,157
Advances:			
to suppliers		42,723,243	31,353,691
to services		13,491,550	16,038,247
		56,214,792	47,391,939
		<u>61,394,555</u>	<u>52,890,096</u>
<b>11 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Security deposits		68,000	60,000
Prepayments		24,393,767	17,644,479
Less: Impairment loss		(966,114)	(966,114)
		<u>23,495,653</u>	<u>16,738,365</u>
<b>12 OTHER RECEIVABLES</b>			
Considered good			
Export rebate		35,732,795	18,082,909
Drawback local taxes levies		29,063,506	168,942,432
		<u>64,796,301</u>	<u>187,025,341</u>

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>13 INCOME TAX AND SALES TAX REFUNDABLE</b>			
Income Tax refundable			
Balance at the beginning of the year		31,507,579	29,095,335
Advance income tax		25,409,229	7,459,636
Provision for taxation (adjusted) / recover		(41,395,930)	(5,047,392)
Balance at the end of the year		15,520,877	31,507,579
Sales tax refundable		459,085,876	243,620,669
		<u>474,606,754</u>	<u>275,128,247</u>
<b>14 SHORT TERM INVESTMENTS</b>			
At fair value through profit or loss account in units of mutual funds	14.1	228,413,351	-
<b>14.1 Name of fund</b>		<b>Cost</b>	<b>Fair value adjustment</b>
			<b>Fair value</b>
Abl islamic cash fund		2,000,000	742,398
Alfaluh investment		25,000,000	247,359
Faysal islamic cash fund		90,000,000	423,595
2022	12,430	227,000,000	1,413,352
2021		-	-
<b>15 CASH AND BANK BALANCES</b>			
Cash in hand		1,239,409	540,646
Cash at banks:			
In current accounts		23,076,627	151,120,813
In saving accounts	15.1	639,355,467	148,735,756
		662,432,094	299,856,569
		<u>663,671,503</u>	<u>300,397,215</u>
15.1 It carries mark up at the rate of 4.50% to 12.50% (June 30, 2021 : 3.25% to 6.35%) per annum.			
<b>16 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
		2022	2021
	Number of shares	Rupees	Rupees
9,372,247	9,372,247	93,722,470	93,722,470
	Ordinary shares of Rs. 10 each allotted for consideration paid in cash.		
1,012,753	1,012,753	10,127,530	10,127,530
	Ordinary shares of Rs. 10 each allotted as bonus shares		
6,615,000	6,615,000	66,150,000	66,150,000
	Ordinary shares of Rs. 10 each allotted for consideration against plant & machinery		
<u>17,000,000</u>	<u>17,000,000</u>	<u>170,000,000</u>	<u>170,000,000</u>
16.1 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.			

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>17 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
Balance at the beginning of the Year		1,179,141,159	1,227,048,962
Surplus on revaluation of land, building & plant and machinery		1,067,235,625	-
		<u>2,246,376,784</u>	<u>1,227,048,962</u>
Transfer to unappropriated profit in equity on account of incremental depreciation charged in profit and loss account		(56,051,514)	(47,907,805)
Balance at the end of the Year		<u>2,190,325,270</u>	<u>1,179,141,159</u>
<b>17.1</b>	Revaluation of property plant and equipment 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 property plant and equipment on 18.09.2002 resulting a surplus of Rs. 114,522,302/-, property plant and equipment on 31.08.2006, resulting surplus of Rs. 290,598,092/-, on property plant and equipment (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 property plant and equipment 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 property plant and equipment 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/. Revaluation of property plant and equipment was carried out on August 26, 2019 by M/s. Iqbal A. Nanjee & company, an independent valuer which resulted a surplus of Rs. 429,041,341/. further revaluations were carried by the same valuer on property plant and equipment on 13.09.2021 resulting a surplus of Rs. 1,067,235,625/-		
<b>18 STAFF RETIREMENT BENEFITS</b>		<b>2022 Rupees</b>	<b>2021 Rupees</b>
Staff retirement benefits-Gratuity	<b>18.1</b>	<u>176,663,441</u>	<u>174,793,710</u>
		<b>176,663,441</b>	<b>174,793,710</b>
<b>18.1 Movement in the net liability recognized in the balance sheet</b>			
Opening net liability		174,793,710	163,375,631
Expense for the year	<b>18.2</b>	46,196,590	42,772,685
Reduction in the net liability recognized in other comprehensive income	<b>18.3</b>	(17,110,214)	(7,012,820)
		<u>203,880,086</u>	<u>199,135,496</u>
Benefits paid during the year		(27,216,645)	(24,341,786)
Closing net liability		<u>176,663,441</u>	<u>174,793,710</u>
<b>18.2 Expense recognized in the profit and loss account</b>			
Current service cost		31,463,684	29,121,305
Interest cost		14,732,906	13,651,380
		<u>46,196,590</u>	<u>42,772,685</u>
<b>18.3 Expense recognized in other comprehensive income</b>			
Net actuarial (gain) / loss recognized in the balance sheet		(17,110,214)	(7,012,820)
		<u>(17,110,214)</u>	<u>(7,012,820)</u>
<b>18.4 Movement in the present value of defined benefit obligation</b>			
Present value of defined benefit obligation		174,793,710	163,375,631
Past service cost		-	-
Current service cost		31,463,684	29,121,305
Interest cost		14,732,906	13,651,380
Actuarial (gain)/ loss		(17,110,214)	(7,012,820)
Benefits paid		(27,216,645)	(24,341,786)
		<u>176,663,441</u>	<u>174,793,710</u>
<b>18.5 Gratuity expenses have been allocated as follows</b>			
Cost of goods manufactured		28,390,193	29,724,656
Administrative expenses		17,806,406	13,048,029
		<u>46,196,599</u>	<u>42,772,685</u>

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

			Note	2022 Rupees	2021 Rupees
<b>18.6 Historical information</b>					
	2022	2021	2020	2019	2018
Present value of defined benefit obligation	176,663,441	174,793,710	163,375,631	97,902,015	103,605,364
<b>18.7 Reconciliation</b>					
Present value of defined benefit obligation				176,663,441	174,793,710
				176,663,441	174,793,710
<b>18.8 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>18.9 Principal actuarial assumption</b>					
Following are a few important actuarial assumption used in the valuation.					
				%	%
Discount rate				13.25%	10.00%
Avg. rate of increase in salary				10.00%	10.00%
Expected year of services (years)				18	20
<b>18.10 Sensitivity analysis of actuarial assumptions</b>					
The calculation of defined benefit obligation is sensitive to assumptions given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumptions by 100 basis point.					
				Increase in assumption	Decrease in assumption
Discount rate				4,730,544	5,381,805
Expected rate of increase in future salaries				11,972,910	10,925,904
<b>18.11</b>	Expected gratuity expense for the year ending June 30, 2023 works out to Rs.51,242,981/-.				
<b>18.12</b>	The weighted average duration of defined benefit obligation is 22 years.				
<b>19 LONG TERM LOAN</b>					
Bank Al Habib Limited				11,101,000	-
Less: current portion of long term loan				(853,923)	-
				10,247,077	-
<b>19.1</b>	This facility has been availed Rs. 11.1 m (available 13.7) under SBP Financing Scheme for Renewable Energy which is repayable in ten years in quarterly installments. The Loan bears the markup rate of 4% including the SBP financing rate of 2% and is secured against the Equitable Mortgage Charge on land & building and hypothecation charge over the solar equipment.				
<b>20 TRADE AND OTHER PAYABLES</b>					
Trade Creditors				1,189,935,973	722,725,797
Accrued liabilities				131,198,576	48,747,639
Advances from customers	<b>20.1</b>			25,866,253	40,697,498
Workers' profit participation fund	<b>20.2</b>			62,368,101	32,326,744
Sindh Worker's Welfare Fund				7,315,120	-
Gas infrastructure development cess				37,363,171	-
Others				11,798	13,072
				1,454,058,992	844,510,750

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
20.1	Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs. 25,420,842 (2021: Rs. 22,532,109 ) has been recognised in current year in respect of advance from customers at the beginning of the period.		
20.2	<b>Workers' profit participation fund</b>		
	Balance at the beginning of the Year	32,326,744	16,574,499
	Interest on fund utilized in company's business	1,697,154	531,765
		<u>34,023,898</u>	<u>17,106,264</u>
	Paid during the year	(34,023,898)	(17,106,264)
		<u>-</u>	<u>-</u>
	Allocation for the year	62,368,101	32,326,744
	Balance at the end of the Year	<u>62,368,101</u>	<u>32,326,744</u>
21	<b>UNCLAIMED DIVIDEND</b>		
	Unclaimed dividend	21.1 585,945	-
21.1	This balance is the unclaimed amount from the interim dividend as of 31 December 2021.		
22	<b>ACCRUED MARKUP</b>		
	Markup on short term borrowing	5,933,851	-
23	<b>SHORT TERM BORROWINGS</b>		
	<b>From banking companies - secured Under Mark up arrangements</b>		
	Islamic export running finance	23.1 594,849,361	-
	Export finance scheme	23.2 196,161,216	-
		<u>791,010,577</u>	<u>-</u>
23.1	During the year the Company availed (Rs. 594.8 m) Islamic Export Running Finance Facility under a scheme by SBP having a tenor of six months. The Pre-shipment borrowing is settled upon export remittances and is priced at SBP rate + 1.75% (i.e. ranging from 2.75% to 7.25%). The facility is secured against Equitable Mortgage Charge over land & buildings, lien over export documents and hypothecation charge over stocks and receivables. These form part of total credit facility of Rupees 600 million (2021: Nil)		
23.2	During the year the Company availed (Rs.196.1 m) Export Financing Scheme Facility under a scheme by SBP having a tenor of six months. The Pre-shipment borrowing is settled upon export remittances and is priced at SBP rate + 1% (i.e. ranging from 2% to 3%). The facility is secured against Equitable Mortgage Charge over land & buildings, lien over export documents and hypothecation charge over stocks and receivables. These form part of total credit facility of Rupees 200 million (2021: Nil)		
24	<b>CONTINGENCIES AND COMMITMENTS</b>		
24.1	<b>Contingencies</b>		
24.1.1	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 amendments in Finance Act 2017. Therefore no provision for the tax on undistribution profit has been recorded in this financial statement ending June 30, 2022.		

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>24.1.2 Guarantees</b>			
Bank guarantees issued in the ordinary course of business.		14,350,018	14,350,018
<b>24.2 Commitments</b>			
There were no commitments as on year end		Nil	Nil
<b>25 SALES - NET</b>			
Export	25.1	10,249,142,911	5,078,450,303
Local		14,435,986	53,327,424
Waste		7,602,061	4,164,193
		10,271,180,958	5,135,941,920
Rebate & duty drawback		122,048,046	192,924,016
Commission on exports		(13,851,170)	(37,001,480)
Discount on exports		(141,291,647)	(71,117,286)
		10,238,086,187	5,220,747,171
<b>25.1</b> Exchange gain due to currency rate fluctuations relating to export sales amounting to Rs.356.05 million (June 30, 2021: Rs.13 million) has been included in export sales.			
<b>26 COST OF SALES</b>			
Cost of goods manufactured	26.1	8,119,506,719	4,011,596,273
<b>Finished goods</b>			
Opening stock		225,507,527	153,559,133
Purchases		205,712,059	169,563,660
Closing stock		(399,571,930)	(225,507,527)
<b>Cost of sales</b>		8,151,134,374	4,109,211,538
<b>26.1 Cost of goods manufactured:</b>			
Raw material consumed:	26.1.1	4,785,222,288	2,419,716,370
Purchase (semi finished goods)		516,170,142	200,202,698
Stores and spares consumed	26.1.2	77,664,478	5,121,483
Other manufacturing expenses	26.1.3	1,545,224,262	905,404,217
Salaries, wages and other benefits	26.1.4	717,003,272	420,112,333
Communication expenses		2,243,663	1,517,608
Conveyance		8,066,352	369,730
Utilities		193,747,930	101,551,378
Insurance		27,464,125	18,568,518
Repairs and maintenance		20,124,842	24,790,226
Oil and lubricants		224,209	39,630
Printing and stationery		3,571,134	2,926,729
Subscription, fees and taxes		39,869,835	21,548,884
Entertainment expenses		21,915,337	6,825,891
Vehicle running and maintenance		18,016,961	9,960,737
Gas infrastructure development cost		37,363,171	-
Depreciation	4.1	101,213,430	80,356,755
Other expenses		2,868,253	15,677,121
		8,116,973,683	4,234,690,309
<b>Work in process</b>			
Opening stock		448,502,819	225,408,784
Closing stock		(445,969,783)	(448,502,819)
		2,533,036	(223,094,035)
		8,119,506,719	4,011,596,274

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>26.1.1 Raw material consumed</b>			
Opening stock		427,722,818	189,000,361
Purchases - net		4,970,211,321	2,635,523,655
Cartage-in		32,576,299	22,915,172
		<u>5,430,510,438</u>	<u>2,847,439,188</u>
Closing stock		(645,288,150)	(427,722,818)
		<u>4,785,222,288</u>	<u>2,419,716,370</u>
<b>26.1.2 Stores and spares consumed</b>			
Opening stock		50,934,963	27,003,224
Purchases - net		104,582,890	29,053,222
		<u>155,517,853</u>	<u>56,056,446</u>
Closing stock		(77,853,375)	(50,934,963)
		<u>77,664,478</u>	<u>5,121,483</u>
<b>26.1.3 Other manufacturing expenses</b>			
Fabric dyeing and processing charges		989,159,228	595,306,402
Stitching charges		556,065,034	310,097,815
		<u>1,545,224,262</u>	<u>905,404,217</u>
<b>26.1.4 Salaries, wages and other benefits include Rs.28,390,186/- (June 30, 2021: Rs. 29,724,656/-) in respect of staff retirement benefits (gratuity).</b>			
<b>27 DISTRIBUTION COST</b>			
Export development surcharge		23,291,917	12,987,513
Export freight		383,633,011	143,363,165
Clearing and forwarding		49,776,657	30,840,947
Marine insurance		7,715,134	3,877,655
Advertisement		1,292,673	-
Fair & exhibition		11,936,420	91,750
Buyer Entertainment		188,793	-
Travelling		35,070,395	7,240,952
Other		10,890	-
		<u>512,915,891</u>	<u>198,401,983</u>
<b>28 ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration		35,130,810	33,624,452
Staff salaries and other benefits	28.1	196,563,225	154,081,021
Conveyance		399,452	254,704
Vehicle running and maintenance		9,329,153	6,764,179
Subscription, fees and taxes		11,649,874	20,403,459
Utilities		5,429,965	4,973,818
Printing and stationery		1,486,091	1,415,014
Legal and professional charges		1,542,105	299,820
Repairs and maintenance		12,910,530	15,402,385
Communication expenses		10,974,597	11,471,274
Entertainment		7,719,935	7,291,391
Office expenses		650,798	4,931,088
Insurance		9,047,762	7,563,252
Advertisement		171,480	2,923,082
Allowance for ECL	9.2	14,564,671	61,932
Depreciation	4.1	15,216,582	13,590,467
Amortization		337,769	375,299
		<u>333,124,798</u>	<u>285,426,637</u>
<b>28.1 Staff salaries and other benefits includes Rs.17,806,388/- (June 30, 2021: Rs.13,048,029/-) in respect of staff retirement benefits (gratuity).</b>			



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>29 OTHER OPERATING EXPENSES</b>			
Workers' profit participation fund	20.2	62,368,101	32,326,744
Auditors' remuneration	29.1	1,746,725	1,116,841
Donation	29.2	3,744,000	-
Sindh Worker's welfare fund		7,315,120	-
		75,173,946	33,443,585
<b>29.1 Auditors' remuneration</b>			
Annual audit fee		950,000	825,000
Half yearly review fee		141,725	128,841
Code of Corporate Governance review		55,000	55,000
Tax services		520,000	108,000
Other services		80,000	-
		1,746,725	1,116,841
<b>29.2</b>	None of the directors or their spouses had any interest in donee fund.		
<b>30 OTHER INCOME</b>			
<b>From financial assets</b>			
Profit on savings account		35,782,870	23,614,580
Profit on mutual funds investment		1,639,392	-
Exchange gain on FCY		8,725	-
<b>From other than financial assets</b>			
Gain / (loss) on sale of property, plant and equipment	4.3	5,075,108	1,774,298
		42,526,295	25,388,877
<b>31 FINANCE COST</b>			
Interest on WPPF	20.2	1,697,154	531,765
Mark-up on short term borrowing		13,204,574	-
Bank charges		8,347,828	4,912,412
		23,249,556	5,444,177
During the year company has capitalized the borrowing cost of Rs. Nil (2021: Nil).			
Capitalization rates used to determine the amount of borrowing cost eligible for capitalization is 2 to 4 % (2021: Nil).			
<b>32 TAXATION</b>			
<b>Provision / reversal for taxation</b>			
Current year		119,182,028	56,475,193
Prior Year Adjustment		(574,917)	(122,703)
Sindh sales tax	32.3	3,338,621	1,399,285
		121,945,732	57,751,775

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

The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the total income falls under section 169 of the Income Tax Ordinance 2001.

**32.2** 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.

**32.3** Sindh sales tax is non refundable tax.

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>33 Earnings per share</b>			
<b>Basic earnings per share</b>			
Profit for the year	Rupees	1,063,048,185	756,456,353
Weighted average number of ordinary shares outstanding during the year	Numbers	17,000,000	17,000,000
Profit per share - basic	Rupees	62.53	32.75

**Diluted earnings per share**  
There were no convertible dilutive potential ordinary shares in issue as at June 30, 2022 and June 30, 2021.

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

	2022			2021		
	CEO	Directors	Executives	CEO	Directors	Executives
	Rupees			Rupees		
Managerial remuneration	6,332,928	28,797,882	57,190,106	5,881,136	27,743,316	47,791,002
Bonus	-	-	4,765,842	-	-	3,982,584
Utilities	-	2,652,596	968,494	-	1,256,142	857,074
Medical expenses	-	2,063,798	868,259	-	1,877,345	742,102
Fuel & maintenance	-	4,233,733	3,619,774	-	3,590,548	2,973,475
Others	-	332,562	-	1,614	19,149	-
	6,332,928	38,080,571	67,412,479	5,882,750	34,486,500	56,346,256
Number of persons	1	7	19	1	5	13

34.1 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 Director & Executives residence as per Company policy.

### 35 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise 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	2022	2021
Salaries and other benefits	Key management personnel	44,413,499	40,369,250

The company continues to have a policy whereby all transactions with related parties are entered at arm's length.

### 36 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- 36.1 Credit risk
- 36.2 Liquidity risk
- 36.3 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.

#### 36.1 Credit risk

##### 36.1.1 Exposure to credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. Credit risk of the Company arises from deposits with banks, trade debts, loans and advances and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings.

Carrying values of financial assets exposed to credit risk and which are neither past due nor impaired are as under:

		2022 Rupees	2021 Rupees
Long term loans and advances	5	20,486,758	19,501,499
Long term deposits	6	35,321,400	29,349,160
Trade debts	9	1,546,982,008	452,800,675
Loans and advances	10	61,394,335	52,891,096
Trade deposits and short term prepayments	11	21,495,653	16,738,365
Other receivables	12	64,796,301	187,025,541
Short term investment	14	228,413,351	-
Cash and bank balances	15	663,671,503	300,387,215
		2,844,566,529	1,058,702,348

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

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
Domestic	9	8,113,026	9,071,437
Export	9	1,553,500,585	443,792,171
Allowance for ECL		(14,626,603)	(61,932)
		<u>1,566,987,008</u>	<u>452,800,676</u>

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

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

	Gross debtors	
	2022	2021
	Rupees	
Not past due	1,061,302,637	409,469,669
Past due 0 - 30 days	263,055,289	23,824,814
Past due 31 - 90 days	182,608,469	9,122,491
Past due 91 days - 1 year	19,959,826	10,438,033
More than one year	26,574,364	7,801
	<u>1,553,500,585</u>	<u>452,862,608</u>
Allowance for ECL	(14,626,603)	(61,932)
	<u>1,538,873,982</u>	<u>452,800,676</u>

36.3.4 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.

36.2 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 damage to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	2022					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Non - derivative Financial liabilities						
Long term loan	11,101,000	11,101,000	-	853,923	10,247,077	-
Trade and other payables	1,454,058,992	1,454,058,992	1,454,058,992	-	-	-
Accrued markup	5,933,851	5,933,851	5,933,851	-	-	-
Short term borrowing	791,010,577	791,010,577	791,010,577	-	-	-
	<u>2,262,104,420</u>	<u>2,262,104,420</u>	<u>2,251,003,420</u>	<u>853,923</u>	<u>10,247,077</u>	<u>-</u>
	2021					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Non - derivative Financial liabilities						
Trade and other payables	844,510,750	844,510,750	844,510,750	-	-	-
	<u>844,510,750</u>	<u>844,510,750</u>	<u>844,510,750</u>	<u>-</u>	<u>-</u>	<u>-</u>

36.2.1 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.

36.3 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.

36.3.1 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 in US Dollar and Euro. The company's exposure to foreign currency risk is as follows:

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022	2021		
		Rupees	Rupees		
		US Dollar	Euro	GBP	Rupees
Trade debts 2022		7,479,725	-	65,850	1,553,500,585
Trade debts 2021		2,735,013	66,890	-	443,792,171
The following significant exchange rates applied during the year:					
		Average rates		Reporting date rates	
		2022	2021	2022	2021
US Dollar to Rupee		182.84	163.36	207.17	158.50

### 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.

US Dollar		(77,478,727)	(21,674,977)
-----------	--	--------------	--------------

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

### 36.3.2 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		3,779,341,769	1,905,866,018
------------------	--	---------------	---------------

#### Variable rate instruments

Financial assets		639,355,467	148,735,756
Financial liabilities		1,854,058,592	844,510,750

#### 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, 2022.

	Profit and loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Rupees			
Cash flow sensitivity - variable rate instruments 2022	14,540,590	(14,540,590)	-	-
Cash flow sensitivity - variable rate instruments 2021	8,445,107	(8,445,107)	-	-

### 36.3.3 Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to commodity price risk as it does not hold financial instruments based commodity prices.

### 36.4 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.

### 36.5 Off balance sheet items

Bank guarantees issued in ordinary course of business		14,380,018	14,380,018
---	--	------------	------------

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

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>37 CAPITAL RISK MANAGEMENT</b>			
<p>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.</p> <p>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.</p> <p>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.</p>			
Total equity	Rupees	3,391,133,873	2,714,250,676
Total borrowing	Rupees	802,131,577	-
Total capital employed	Rupees	4,193,225,450	2,714,250,676
Gearing ratio	Percentage	0.13	0.00

## 38 MEASUREMENT OF FAIR VALUES

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

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

-Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

-Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

There were no transfers between different levels of fair values mentioned above. The respective basis of valuation at fair values are disclosed in notes to the account whenever applicable.

## 39 CAPACITY AND PRODUCTION

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

## 40 NUMBER OF EMPLOYEES

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

	2022	2021
Total number of employees as at June 30- <b>Factory</b>	1771	1080
Total number of employees as at June 30- <b>Head Office</b>	121	115
<b>Total</b>	<b>1892</b>	<b>1195</b>
Average number of employees during the year- <b>Factory</b>	1426	995
Average number of employees during the year- <b>Head Office</b>	118	110
<b>Total</b>	<b>1544</b>	<b>1105</b>

## 41 CORRESPONDING FIGURES

Figures have been rounded off to the nearest Rupee.

## 43 SUBSEQUENT EVENTS

The Directors in their meeting held on September 30, 2022 have recommended and approved an annual cash dividend of PKR 10.00 per share in respect of year ended June 30, 2022 (June 30, 2021: Nil). The financial statements for the year ended June 30, 2022 do not include the effect of the above annual dividend which will be accounted for in the period in which it is approved.

## 44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the board of directors of the company on September 30<sup>th</sup>, 2022

Mehreen Obaid Agha  
Chief Executive

Sana Bilal  
Director

Adnan Moosaji  
Chief Financial Officer

Karachi, September 30<sup>th</sup>, 2022

## TOWELLERS LIMITED

### PATTERN OF HOLDING OF THE SHARES HELD BY SHAREHOLDERS AS ON JUNE 30, 2022

#### AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE

Number of SHAREHOLDERS	SHARE HOLDINGS		TOTAL SHARES HELD	PERCENTAGE
	From	To		
538	1	100	3097	0.0182
69	101	500	27533	0.1620
45	501	1000	42103	0.2477
48	1001	5000	137301	0.8077
21	5001	10000	165600	0.9741
8	10001	15000	98400	0.5788
3	15001	20000	48000	0.2824
4	20001	25000	93000	0.5471
1	25001	30000	30000	0.1765
3	30001	35000	99600	0.5859
1	65001	70000	66000	0.3882
1	70001	75000	70500	0.4147
1	100001	105000	100651	0.5921
1	115001	120000	119500	0.7029
1	125001	130000	129759	0.7633
2	150001	155000	307700	1.8100
1	265001	270000	268500	1.5794
2	465001	470000	937648	5.5156
1	525001	530000	526000	3.0941
3	2455001	2460000	7379247	43.4073
1	2465001	2470000	2467043	14.5120
1	3880001	3885000	3882818	22.8401
756			17000000	100.0000

### CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2022

	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE OF HOLDING
1	GENERAL PUBLIC (LOCAL)	715	15717233	92.4543
2	GENERAL PUBLIC (FOREIGN)	21	110108	0.6477
3	INSURANCE COMPANIES	2	655759	3.8574
4	PUBLIC SECTOR COMPANIES	8	134300	0.7900
5	MODARABAS AND MUTUAL FUNDS	4	312600	1.8388
6	OTHERS	6	70000	0.4118
	COMPANY TOTAL	756	17000000	100.0000

**CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2022**

Categories of Shareholders	No. of Share holders	Shares Held	Percentage
<b>DIRECTORS, CEO &amp; SPONSORS</b>			
Ms. Mahjabeen Obaid	1	2,467,043	14.51
Ms. Mehreen Obaid Agha	1	2,459,748	14.47
Ms. Sana Bilal	1	2,459,748	14.47
Ms. Hadeel Obaid	1	2,459,751	14.47
Mr. Zeeshan K. Sattar	1	468,448	2.76
Muhammad Sarfraz	1	500	0.02
Niaz Muhammad	1	100	0.00
Humza Shaikh Obaid	1	3,983,469	23.43
<b>INSURANCE COMPANY</b>			
National Insurance Company Ltd	1	526,000	3.09
Pakistan Reinsurance Company Ltd	1	129,759	0.76
<b>OTHERS COMPANIES</b>			
UBL Asset Allocation Fund	1	1,900	0.01
Al-Ameen Islamic Ret.Sav. Fund-Equity Sub Fund	1	153,000	0.90
UBL Retirement Savings Fund-Equity Fund	1	154,700	0.91
Al-Ameen Islamic Dedicated Equity Fund	1	3,000	0.02
Y.S. Securities & Services Pvt Ltd	1	1,000	0.01
Burma Oil Mills Ltd	1	2,000	0.01
M. Munir M. Ahmed Khanani Securities Ltd	1	70,500	0.41
Iftikhar Corporation	1	10,000	0.06
Chenab Textile Corporation	1	15,800	0.09
Ranjha Linen	1	10,000	0.06
Fine Fabrico	1	15,000	0.09
Tumbi (Private) Limited	1	10,000	0.06
Calcorp Limited	1	34,000	0.20
Essity Pakistan Limited Gratuity Fund	1	1,000	0.01
Essity Pakistan Limited provident Fund	1	1,500	0.01
ISPI Corporation (Pvt) Ltd	1	24,000	0.14
Honda South (Pvt) Ltd	1	5,500	0.03
United Towel Exporters (Pvt.) Ltd	1	4,000	0.02
<b>GENERAL PUBLIC</b>			
LOCAL	701	1,348,426	7.91
FOREIGN	21	110,108	0.65
OTHERS	6	70,000	0.41
<b>Total</b>	<b>756</b>	<b>17,000,000</b>	<b>100.00</b>

**SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING RIGHTS IN THE LISTED COMPANY**

Mahjabeen Obaid	2,467,043
Mehreen Obaid Agha	2,459,748
Sana Bilal	2,459,748
Hadeel Obaid	2,459,751
Humza Shaikh Obaid	3,983,469

## **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. After the devastating floods during the current monsoon season which wreak havoc across the country, the Company and its directors contributed whole heartedly to the various NGOs and institutions that are leading the efforts of rescue and rehabilitation of the flood affected.

### **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 there 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. The Company keeps investing in upgrading and maintaining the fire fighting systems throughout its manufacturing facilities and offices, conducts fumigation periodically and keeps the boiler and other plants & equipment maintained as per their standards to ensure the safety of its human resource. The Company also maintain the wastewater recycling plant to ensure that no toxic chemicals are excreted to the city's sewage system.

### **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. The Company keeps hiring young talents for its internship training programs, train them and often provides them employment opportunities.

### **ENVIROMENT PROTECTION – WATER RECYCLING PLANT**

Due to the change in global climatic condition it is estimated that Pakistan will experience water scarcity in the coming years making it imperative that water gets preserved and its usage be made efficient as much as possible. Textile manufacturing specially dying and printing processes can cause significant harm to environment if adequate measures are not taken to mitigate hazardous effect of toxic wastes. The



company is aware and concerned about the environment and therefore has installed effluent treatment plant at its dyeing, printing and garments manufacturing facilities. Wastewater treatment plant at our manufacturing facility is designed and operated to meet and exceed environmental standards, securing the health of our employees and local eco system. This also reduces excessive consumption of precious clean drinking water through re-cycling process.

### **WHISTLEBLOWING 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.

### **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.

**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. Notice of Book Closure:**

The Share Transfer Books of the Company will remain closed from October 19<sup>th</sup> 2022 to October 26<sup>th</sup> 2022 ( both days inclusive ) Transfer received in order by our Share Registrar, M/s. THK Associates Pvt Ltd. Plot No. 32-C, Jami Commercial Street - 2 D.H.A., Phase-VII, Karachi, 75500, at the close of business on October 18<sup>th</sup> 2022 will be considered in time for the purpose of attending the AGM.

**2. Coronavirus Kontingency - Participation in AGM through electronic means**

NAME OF MEMBER (S)	FOLIO / CDC ACCOUNT NUMBER/ CDC PARTICIPANT ID	NUMBER OF SHARES HELD	CNIC/ PASSPORT NUMBER	CELL/MOBILE NUMBER	EMAIL ID

In light of the threat by the prevalent coronavirus (COVID-19) situation the SECP VIDE Circular No4 dated February 15, 2021 and subsequent Circular No. 1 dated March 3, 2021, the Company has decided to Hold AGM through electronic means in order to protect the well-being of the shareholders.

Shareholders interested in attend the AGM through Video Link, are request to get themselves register with the Company Secretary office by providing the following detail at the earliest but not later than 48 hours before the time of AGM with subject Registration .In case any members who want to attend the AGM personally are advised to follow SOPs for COVID as prescribed by the Government of Pakistan.

Mobile/WhatsApp No 03008205172 and email [farhat@towers.com](mailto:farhat@towers.com) shareholders are advised to mention Name, CNIC No, Folio / CDC Account No, Cell No and email ID for identification. The Company will send the login details to their email address on the date of meeting members can also provide their comments / suggestion for the proposed agenda of the AGM on above email or Whatsapp, for any queries the members may please contact at the aforesaid email.

**3. Appointment of Proxies and Attending AGM:**

- i) A member eligible to attend and vote at the Meeting may appoint another member as his/her proxy to attend, and note **instead** of him/her.
- ii) A blank instrument of proxy applicable for the meeting is being provided with the notice sent to members. Further copies of the instrument of proxy may be obtained from the registered office of the Company during normal office hours or can be downloaded from the Company's website.
- iii) A duly completed instrument of proxy and the power of attorney or other authority (if any), under which it is signed or a notarized certified copy of such power or authority must, to be valid, be deposited at the registered office not less than 48 working hours before the time of the meeting. Attested copies of valid CNIC or the passport of the member and the Proxy shall be furnished with the Proxy Form.
- iv) In case of corporate entity, the Board of Directors Resolution / Power of Attorney with specimen signature shall be submitted with proxy form.

- v) The owners of the physical shares and the shares registered in the name of Central Depository Company of Pakistan Ltd. (CDC) and / or their proxies are required to produce their Original Computerized National Identity Card (CNIC) or Passport (in case of foreign nationals) for identification purpose at the time of attending the meeting.
- vi) CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1, dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.
- vii) For attending meeting through video-link, cell number and email id of proxy, shall be provided on the duly signed proxy form.
4. Video-Conferencing Facility for attending AGM  
If members holding ten percent of the total paid up capital, are resident in any other city, the company shall provide the facility of video-conferencing to such members for attending annual general meeting of the company, if so required by such members in writing to the company at least seven days (7) before the date of the meeting.  
The Company will intimate members of the facility of conference facility at least 5 days before the date of general meeting. Complete information necessary to enable them to access such facility will be provided to members.
5. Change in Members Address:  
Members are requested to notify any change in their addresses immediately to the Share Registrar M/s. THK Associates, Plot No. 2-C, Jami Commercial Street - 2 D.H.A., Phase-VII, Karachi, 75500.
6. Submission of Copies of Valid CNICs/NTN:  
Members are requested to submit a copy of their valid CNICs/NTN Certificates along with the folio numbers to the Company's Share Registrar, if not already provided, otherwise payment of dividend would be withheld in terms of section 243 of the Companies Act, 2017 ('the Act') and clause 6 of the Companies (Distribution of Dividends) Regulations, 2017 ('the Regulations').
7. Availability of Financial Statements and Reports on the Website:  
The Annual Report of the Company for the year ended June 30, 2022 has been placed on the Company's website at the below link:  
<http://www.towellers.com>
8. Circulation of Annual Financial Statements for the year ended June 30, 2022 through CD:  
The Securities and Exchange Commission of Pakistan (SECP) vide SRO No. 470(I)/2016 dated May 31, 2016, has allowed listed companies to circulate their Annual Audited Accounts (i.e. the annual balance sheet and profit and loss account, auditor's report and director's report) to its members through CD at their registered addresses instead of sending them in hard copies. As per request received of members, the Annual Audited Financial Statements of the Company for the year ended June 30, 2022, are being circulated to the members through CD.
9. Transmission of Annual Financial Statements and Reports and notice of meeting through Email:  
In terms of SRO No 787(I)2014 dated September 8, 2014, shareholders can opt to obtain annual balance sheet and profit and loss account, auditor's report and directors' report

etc, along with the notice of Annual General Meeting through email. The Companies Act, 2017 also allow electronic circulation of annual financial statements and reports thereon. Accordingly, we are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notice of the Company through e-mail in future.

For the convenience of shareholders, a Standard Request Form has been made available at our website – [www.towellersltd.com](http://www.towellersltd.com) to opt receiving of future annual reports through email or in hard & signed form may be emailed to the Company Secretary at [farhan@towellers.com](mailto:farhan@towellers.com) or the same can be submitted through post/courier to Company's Share Registrar – M/s. THK Associates Pvt Ltd. Plot No. 32-C, Jami Commercial Street – 2 D.H.A., Phase-VII, Karachi, 75500.

Members who do not provide their email or request for a hard copy shall continue to receive their future Annual Financial Statements and reports through CD/DVD/USB at the registered address.

**10. Deduction of Income Tax under Section 150 of the Income Tax Ordinance, 2001:**

- a) The rate of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001, from payment of dividend to a NON-FILER of income tax return is prescribed as 30% and for FILER of Tax Returns as 15%. List of Filers is available at Federal Board of Revenue's (FBR) website: <http://www.fbr.gov.pk>. Members are therefore advised to update their tax FILER status latest by October 18, 2022.
- b) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Folio/CDC A/c No.	Total Number Of shares	Principal Shareholders		Joint Holders (s)	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar by the close of business on October 18<sup>th</sup> 2022; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s)

- c) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers/CDC Ids.
- d) The information received within the above specified time would enable the Company to deduct income tax at the applicable rates from the payment of dividend if announced by the Company.

- e) Members seeking exemption from deduction of income tax or deduction at a reduced rate under the relevant provisions of the Income Tax Ordinance, 2001, are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be, latest by October 18<sup>th</sup> 2022

11. E-DIVIDEND MANDATE (MANDATORY)

Under section 242 of Companies Act, 2017 (Act), every listed company is required to pay dividend if any to their members compulsorily through electronic mode by directly crediting the same in their bank account provided by them. In terms of SRO No. 1145(I)/2017 dated 06 November 2017, it is mandatory for shareholders to provide their bank account details to receive their cash dividend directly into their bank accounts, failing which the company shall be bound to withhold dividend of those members who do not provide their bank details.

All members are required to provide to the Company's Share Registrar, particulars relating to name, folio number, bank account number, title of account, complete mailing address of the bank. CDC account holders should submit their request directly to their broker (participant)/CDC. A Form is available at the Registered Office of the Company and the same are also placed on the Company's website.

12. Unclaimed Dividend/Shares

Pursuant to Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the company, which remain unclaimed or unpaid for a period of three years from the date it became due and payable shall vest with the Federal Government after compliance of procedures proscribed under the Companies Act, 2017.

All valued members of the Company, who by any reason, could not claim their dividend/shares, if any, are requested to contact Company's Share Registrar, to file their claims with Company's Share Registrar for any unclaimed dividend outstanding in their name.

13. Conversion of physical shares into book entry form

Pursuant to Section 72 of the Companies Act, 2017 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 the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017.

The shareholders having physical shares are encouraged to convert their physical shares into book-entry form by depositing shares into Central Depository Company of Pakistan Limited by opening CDC sub-account with any broker or investor accounts directly with CDC.

14. Details of Beneficial Ownership

Attention of corporate entities / legal persons is also invited towards SECP Circular No. 16 and 20 of 2018, Respective shareholders (corporate entities / legal persons) are advised to provide the information pertaining to ultimate beneficial owners and other information as prescribed in the subject SECP Circulars to the Share Registrar of the Company.

# 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/Company. 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

## نوٹس برائے اونچاسواں (49) سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ ٹاورز لمیٹڈ کے حصص یافتگان کا سالانہ اجلاس عام مورخہ 26 اکتوبر، 2022 بروز بدھ رچسٹر آفس ٹاورز ہاؤس ڈبلیو ایس اے، 30-31، بلاک ون، فیڈرل بی ایریا کراچی میں مندرجہ ذیل کاروباری امور کی انجام دہی کیلئے منعقد ہوگا۔

### عمومی امور:

1. 127 اکتوبر، 2021 کو منعقدہ 48 ویں سالانہ اجلاس عام کی کارروائی کی توثیق۔
2. 30 جون، 2022 کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ کھاتوں معہ پیئر مین، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، بخور و خوش اور منظوری۔
3. 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے بورڈ آف ڈائریکٹرز کی طرف سے سفارش کردہ 100 فیصد یعنی 10/ روپے فی حصص کے حتمی نقد منافع منقسمہ کی ادائیگی پر بخور اور منظوری
4. 30 جون، 2023 کیلئے آڈیٹرز کا تقرر اور ان کے مشاہیر کا تعین۔

### خصوصی امور

5. پیئر مین کی اجازت سے دیگر امور کی انجام دہی۔

بھگت بورد  
محمد فرحان عادل  
کمپنی سیکرٹری

کراچی:  
30 ستمبر، 2022  
نوٹس

1. کمپنی کی حصص منتقلی کی کتب 119 اکتوبر، 2022 تا 26 اکتوبر، 2022 (بشمول دونوں ایام) بند رہیں گی۔
2. اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروفائیڈر کسی مقرر کر سکتا ہے۔ ہر لحاظ سے مکمل پروفائیڈر کسی فارم اجلاس کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے رچسٹر آفس میں مل جانی چاہیے۔
3. افراد بشمول فزیکل / سی ڈی سی حصص رکھنے والے مشترک کھاتے داروں سے درخواست کی جاتی ہے کہ وہ کمپنی یا شیئر رچسٹر کو اپنے اصل شناختی کارڈ کی کاپی جمع کرائیں۔
4. سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے مورخہ 3 مارچ، 2021 کو جاری کردہ سرکلر 6، 2021 کی تعمیل میں کمپنی نے اپنے حصص یافتگان کیلئے ویڈیو لنک کی سہولت کا بندوبست کیا ہے جو اپنے سمارٹ فونز یا کمپیوٹر ڈیوائسز کے ذریعے باسہولت مقام سے اجلاس میں شرکت کرنے کے خواہشمند ہیں۔ ویڈیو لنک کے ذریعے اجلاس میں شرکت کے خواہشمند حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی سیکرٹری کے ای میل (farhan@towellers.com) پر اپنے مندرجہ ذیل کوائف جمع کرائیں۔ اجلاس میں شرکت کا لنک حصص یافتگان کو ان کی طرف سے فراہم کردہ ای میل ایڈریس پر ارسال کیا جائے گا مثلاً نام، شناختی کارڈ نمبر، فوٹیو ای سی اکاؤنٹ نمبر، موبائل نمبر اور ای میل حصص یافتگان (farhan@towellers.com) پر ای میل کے ذریعے اے جی ایم کے ایجنڈا آفٹو کیلئے اراء / تجاویز بھی فراہم کر سکتے ہیں۔
5. سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے مورخہ 26 جنوری، 2000 میں جاری کردہ سرکلر نمبر 1 میں وضع کردہ ہدایات پر عمل درآمد کرنا ہوگا۔
6. حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے (1) متعلقہ سی ڈی سی پارٹی سٹیٹمنٹ (2) فزیکل سیکورٹیز کی صورت میں کسی بھی تبدیلی کے بارے میں کمپنی کے شیئر رچسٹر کو مطلع کریں۔

## INVESTORS' EDUCATION

In compliance with the Securities and Exchange Commission of Pakistan (SEC) 583/92/11/2013 dated September 3, 2015, Investor Education is invited to the following information message:

[www.jamapunji.pk](http://www.jamapunji.pk)



**Be aware, Be alert,  
Be safe**

Learn about Investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

### Key features:

- 📄 Licensed Entities Verification
- 📊 Scam meter\*
- 🎮 Jamapunji games\*
- 📄 Tax credit calculator\*
- 🏢 Company Verification
- 📄 Insurance & Investment Checklist
- 🗉 FAQs Answered
- 📄 Online Quizzes
- 📈 Stock trading simulator (based on live feed from PSX)
- 📄 Knowledge center
- 📄 Risk profiler\*
- 📄 Financial calculator
- 📄 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device



Jama Punji is an investor  
Education & Safety of  
Capital and Exchange  
Commission of Pakistan

[www.jamapunji.pk](http://www.jamapunji.pk)

[@jamapunji](https://twitter.com/jamapunji)

\*Stocks of the Market are not available for all financial instruments



## TOWELLERS LIMITED

### اراکین کیلئے ڈائریکٹرز رپورٹ

یورڈ آف ڈائریکٹرز کی طرف سے 30 جون، 2022 کو مکمل ہونے والے سال کیلئے کمپنی کے پڑتال شدہ مالی گوشوارے پیش کرنے میں ہمیں انتہائی مسرت ہو رہی ہے۔ یہ مالی گوشوارے اکاؤنٹنگ کے عالمی معیارات کے مطابق اور گلوبل ایکٹ 2017 کے سیکشن 227 کی دفعات کے مطابق تیار کئے گئے ہیں۔

معاشی جائزہ

مالی سال 2021-22 دو سال تھا جس کے دوران معیشت اور تجارت نے کورونا وبا جس نے گزشتہ دو سالوں کے دوران عالمی معیشتوں کو بری طرح متاثر کیا کے بعد بحالی کا سفر شروع کیا۔ ملک کی جی ڈی پی کی ترقی کی شرح 5.97 فیصد رہی جبکہ جی ڈی پی کا مجموعی حجم 383 بلین ڈالر ہو گیا۔ 1798 امریکی ڈالر کی فی کس آمدنی لوگوں کی خوشحالی میں بہتری کو ظاہر کرتی ہے جس کی وجہ سے فی کس معاشی ترقی بہتر ہوئی۔

سال 2022 کیلئے ملک کی مجموعی برآمدات بڑھ کر 31.8 بلین امریکی ڈالر ہو گئیں جو گزشتہ مالی سال کے مقابلے میں 25.5 فیصد زیادہ ہے۔ گزشتہ سال طلب میں اضافہ دیکھنے کو ملتا تاہم رواں سال کی صورتحال اس سے مختلف ہے۔ دنیا بھر میں بڑھتے ہوئے فریڈمز، طلب میں کمی اور کساد بازاری کا خوف پاکستان کے برآمد کنندگان اور مینوفیکچررز کیلئے ایک چیلنج ہے۔ مزید برآں ملک بھر میں حالیہ شدید سیلاب سے ہماری مالی نقصان اٹھانا پڑا جس کے باعث رواں سال میں ملک کی معیشت کیلئے مشکلات پیدا ہوئی۔ ہم امید کرتے ہیں اور دعا گو ہیں کہ پاکستان بہت جلد اس مشکل وقت سے نکل آئے گا اور موجودہ سال کے دوران بحالی کی طرف گامزن ہوگا۔

سال 2021-22 کے دوران ٹیکسٹائل کی برآمدات گزشتہ سال کے مقابلے میں 25.5 فیصد اضافہ کے ساتھ بڑھ کر 19.33 بلین امریکی ڈالر تک پہنچ گئیں تاہم یہ شرح رواں سال کے 20 بلین امریکی ڈالر کے ہدف سے تھوڑی کم رہی۔ حکومت نے سال 2022-23 کے لیے ٹیکسٹائل کی برآمدات کا ہدف 25 بلین امریکی ڈالر مقرر کیا ہے۔

کمپنی کی مالی کارکردگی

الحمد للہ، اللہ تعالیٰ کے فضل و کرم سے آمدنی اور منافع کے لحاظ سے یہ ہمارے لئے شاندار سال رہا۔ کمپنی کو رواں سال 10.24 بلین روپے کی آمدنی حاصل ہوئی جبکہ گزشتہ سال یہ آمدنی 5.22 بلین روپے تھی جو 96 فیصد کی مثبت ترقی کو ظاہر کرتی ہے۔

سال کے دوران سپر ٹیکس کے اضافی نفاذ کے باوجود کمپنی کا بعد از ٹیکس خالص منافع 1.06 بلین روپے رہا (2021: 556.46 بلین روپے) جبکہ فی حصص آمدنی 62.53 روپے رہی (2021: 32.73 فی حصص)۔

کمپنی کے ڈائریکٹرز، انتظامی ٹیم، سٹاف اور ورکرز نے غیر معمولی کارکردگی حاصل کرنے کیلئے انتہائی محنت اور لگن کے ساتھ کام کیا۔ کرنسی ایکس چینج ریش کی بدولت کمپنی کو اپنی سابقہ قیمتوں میں اضافہ میں مدد ملی۔ آپ کی کمپنی اپنی ٹیم اور حصص یافتگان کی مدد اور معاونت سے مزید بہتر ترقی کارکردگی اور منافع کے حصول جاری رکھنے کیلئے پر عزم ہے۔

ذیل میں نفع و نقصان کا خلاصہ جائزہ کیلئے پیش کیا جا رہا ہے۔

### روپے ہزار میں

30 جون 2021	30 جون 2022	
5,220,747	10,238,086	خالص نفع و نقصان
1,111,536	2,086,932	مجموعی منافع
198,402	512,918	ڈسٹری بیوشن لاگت
285,427	333,125	انتظامی اخراجات
33,444	75,174	دیگر آپریٹنگ اخراجات
25,389	42,526	دیگر آمدنی
5,444	23,250	مالی لاگت
614,208	1,184,994	قبل از ٹیکس منافع
556,456	1,063,048	بعد از ٹیکس منافع
32.73	62.53	فی حصص آمدنی

مختصیل شدہ منصوبوں کی کارکردگی

ذیل میں مختصیل شدہ منصوبوں کے نتائج پیش کیے جا رہے ہیں جنہیں گزشتہ سال شروع کیا گیا۔

(i) شہمی توانائی کا منصوبہ

جیکسری کے بعد کھپنی نے کارکردگی میں مزید اضافہ اور اخراجات میں بچت کیلئے اپنے ہیڈ آفس کی عمارت میں شہمی توانائی پیدا کیلئے عہدہ نصب کئے ہیں۔

(ii) ڈانگ ڈیپارٹمنٹ

سال کے دوران کھپنی نے رکنے والی جدید ترین مشینوں اور فنشنگ سائز سامان میں بھاری سرمایہ کاری کی ہے تاکہ کارکردگی میں اضافہ اور متعدد مینوفیکچرنگ لائنوں کو کم کیا جاسکے۔ یہ مشینیں موسمیاتی تبدیلی سے نمٹنے اور کاربن کے اخراج کو کم کرنے کیلئے پائیدار مینوفیکچرنگ طریقوں کو فروغ دیتی ہیں۔ یہ مشینیں ذریعہ استعمال ہیں اور رکنے پر آنے والی لائنوں اور پانی کے استعمال میں کمی کے علاوہ مارجن میں اضافہ کی صورت میں فائدہ پہنچا رہی ہیں۔ پراسسنگ مشینوں کے علاوہ کھپنی نے سکرین پر فنشنگ میں بھی سرمایہ لگایا ہے جس کے باعث تیار مصنوعات کے معیار اور فنشنگ میں اضافہ ہوا ہے۔

شیر ہولڈنگ کا نمونہ

کھپنی ایکٹ، 2017 کے سیکشن (f)(2) 227 کے مطابق کھپنی 30 جون، 2022 تک شیر ہولڈنگ کا نمونہ رپورٹ کے ساتھ ہے۔

ڈائریکٹرز ٹینگ

کھپنی اپنے بورڈ ممبران کی پیشہ ورانہ ترقی میں گہری دلچسپی لیتی ہے۔ ڈائریکٹرز کو کارپوریٹ گورننس اور دیگر ریگولیٹری تبدیلیوں سے متعلق قوانین اور موجودہ معاملات کے بارے میں تازہ ترین صورتحال سے آگاہ رکھا جاتا ہے۔ کھپنی کے چار ڈائریکٹرز نے سی سی جی قواعد کی تعمیل کرتے ہوئے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (پی آئی سی جی) سرٹیفیکیشن مکمل کی ہے۔

ٹریڈنگ

بورڈ آف ڈائریکٹرز ہی ای او ای ایف او، کھپنی سیکرٹری اور ہیڈ آف انٹرنل آڈٹ ان کی شریک حیات اور ان کے چھوٹے بچوں نے شیر ہولڈنگ کے طریقہ کار کے علاوہ کھپنی کے حصص کا کوئی لین دین نہیں کیا۔

منافع منقسمہ

کھپنی کو رواں سال بہترین منافع کی توقع تھی اس لئے کھپنی نے 20 فیصد کارپوریٹ منافع منقسمہ کا اعلان اور تقسیم کیا ہے۔ اب آپ کے ڈائریکٹرز یہ بتانے میں خوشی محسوس کر رہے ہیں کہ 100 فیصد منافع منقسمہ جو بڑھ گیا ہے جو سالانہ اجلاس عام میں اراکین کی منظوری سے مشروط ہے۔ یہ کھپنی کے ڈائریکٹرز اور پیشہ ورانہ تنظیم کی وجہ سے ممکن ہوا جنہوں نے ترقی کو برقرار رکھنے اور اس میں اضافہ کیلئے مشکل وقت میں سخت محنت کی۔ ہم اپنے معزز منقسم یافتگان کا بھی شکریہ ادا کرتے ہیں کہ انہوں نے کھپنی کی طرف سے سرمایہ نہ ہونے کی وجہ سے ڈیجیٹل کی عدم ادائیگی کی مجبوری کا اور اک کرتے ہوئے صبر و تحمل سے کام لیا۔ ہم امید کرتے ہیں اور دعا کرتے ہیں کہ کھپنی اپنے اسٹیبل ہولڈرز کے باہمی فائدے کے لیے مستقبل میں مستقل شرح سے ترقی کرتی رہے گی اور منافع کماتی رہے گی۔

فی حصص آمدنی

ٹیکس کی ادائیگی کے بعد بنیادی اور معمولی فی حصص آمدنی 62.53 روپے رہی۔ (32.73:2021)

ڈیویڈنڈ کا جائزہ

ڈیویڈنڈ کا جائزہ اس سالانہ رپورٹ کا حصہ ہے اس لئے کھپنی کے ڈائریکٹرز جائزہ رپورٹ کے مندرجات کی توثیق کرتے ہیں۔

آڈیٹرز

موجودہ آڈیٹرز میسرز مشتاق اینڈ کو چارٹرڈ اکاؤنٹنٹس نے مدت پوری ہونے پر شو کو اہلیت کی بنا پر دوبارہ تقرری کیلئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز آڈٹ کھپنی کی سفارشات پر میسرز مشتاق اینڈ کو چارٹرڈ اکاؤنٹنٹس کو 30 جون، 2023 کو مکمل ہونے والے سال کیلئے کی دوبارہ تقرری کی تجویز دیتے ہیں۔

اعلیٰ تشکر

آپ کے ڈائریکٹرز تمام اسٹیبل ہولڈرز سے حوصلہ افزائی اور حمایت پر ان سے اعلیٰ تشکر کرتے ہیں۔ ہم کھپنی کے اراکین کے عزائم اور اہمیت اور ہمارے حصص یافتگان کو سراہتے ہیں جنہوں نے کھپنی پر ہمیشہ اعتماد اور بھروسہ کیا

30 ستمبر، 2022

چیف ایگزیکٹو آفیسر

ڈائریکٹرز

چیئر مین جائزہ رپورٹ

مجھے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول کے ساتھ ساتھ آئندہ سالوں کیلئے اہداف مقرر کر کے کمپنی کو نئی بلندیوں تک لے جانے میں بورڈ کے موثر کردار سے متعلق کمپنی کے حصص یافتگان کو جائزہ رپورٹ پیش کرنے میں انتہائی مسرت ہو رہی ہے۔

بورڈ نے کمپنی کی پائیدار ترقی، کمپنی کی مصنوعات کے اعلیٰ معیار کو برقرار رکھتے ہوئے نئی مارکیٹس کی دریافت، نئے صارفین کو راغب کرنے کے ساتھ ساتھ موجودہ صارفین کے اعتماد میں اضافہ کیلئے پیشہ وارانہ انداز میں کام کیا۔ چیف ایگزیکٹو کی طرف سے کاروباری منصوبوں، آپریٹنگ کارکردگی، کیش فلوز، متعلقہ مالی معلومات اور رسک مینجمنٹ جیسے شعبوں پر باقاعدگی سے بورڈ کو رپورٹس اور تازہ ترین صورتحال فراہم کی جاتی ہیں۔

اللہ تعالیٰ کے فضل و کرم سے دوگنی آمدن اور منافع کے ساتھ کمپنی نے شاندار کارکردگی کا مظاہرہ کیا جو بورڈ اور اس کی ٹیموں کی طرف سے پورے سال کے دوران عزم اور لگن کا عکاس ہے۔ اس غیر معمولی کارکردگی کا سہرا بورڈ اور انتظامی ٹیم کو جاتا ہے۔ اگرچہ آنے والے وقت میں چیلنجز کا سامنا ہو سکتا ہے لیکن کمپنی ترقی کی اپنی رفتار کو برقرار رکھنے کی کوششیں جاری رکھے گی۔ یہ بات قابل فہم ہے کہ ترقی کی اتنی بلند شرح کو مستحکم رکھنا مشکل ہو سکتا ہے خاص طور پر جب دنیا بھر میں افراط زر کے غیر معمولی اعداد و شمار سامنے آرہے ہیں، طلب دہاؤ کا شکار ہو چکی ہے اور مغرب کے کئی ممالک میں کساد بازاری کے سائے منڈلا رہے ہیں۔

مجھے یہ بتانے میں بھی خوشی ہے کہ بورڈ نے چند سالوں کے بعد اچھا منافع منقسمہ کا اعلان کرنے کا فیصلہ کیا ہے، میں کمپنی کے اراکین اور ڈائریکٹرز کا شکریہ ادا کرنا چاہوں گی جنہوں نے ان سالوں میں صبر و تحمل کا مظاہرہ کیا۔ میں خواہش اور امید کرتی ہوں کہ کمپنی مسلسل ترقی اور منافع کیلئے کوشاں رہے گی جو ہمارے تمام سٹیک ہولڈرز کیلئے باہمی مفاد میں ہے۔

آخر میں، میں ایک بار پھر بورڈ اراکین کو ان کی شاندار کارکردگی پر مبارکباد دینا چاہوں گی، میں کمپنی کی ترقی کیلئے ان کے عزم اور لگن کیلئے شکر گزار ہوں۔ میں بورڈ آف ڈائریکٹرز پر اعتماد کا اظہار کرنے پر حصص یافتگان کی مشکور ہوں۔

کراچی: 30 ستمبر، 2022

مہ جبین عبید

چیئر پرسن

## Form of Proxy

### 49<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 ninth Annual General Meeting  
of the Company to be held on October 26, 2022, and at any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of \_\_\_\_\_ 2022  
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.

