



# **Towellers Limited**

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**Unaudited Accounts for the  
Quarter Ended  
September 30th, 2022**

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**[www.towellers.com](http://www.towellers.com)**

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# TOWELLERS LTD

## 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.

# TOWELLERS LTD

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors are pleased to present their report together with the un-audited financial statements of the Company for the first quarter ended September 30, 2022.

By the Grace of Almighty Allah, the Company's tremendous performance has continued during the first quarter of the year 2023. The Company has achieved a turnover of Rs. 3.08 Billion as compared to Rs. 2.37 B during the first quarter last year growing by 30%. The average turnover per month has been Rs. 1.03 B as compared to Rs. 789.84 M same period last year. The profit after tax is Rs. 751.27 M as compared to Rs. 246.54 M during the same period last year.

The financial highlights of the performance of the Company is as under:

### FINANCIAL HIGHLIGHTS

#### FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Rupees in Thousands	
	2022	2021
Sales	3,078,616	2,369,514
Gross Profit	953,887	447,287
Profit from operations	762,826	258,561
Taxation	49,398	16,839
Profit after taxation	751,273	246,538

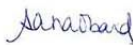
The times ahead are looking to be quite challenging because of the precarious global economic conditions prevailing currently. While the first quarter saw unprecedented sales, the recession ineffect has significantly affected the upcoming quarters sales outlook. The team is working hard to keep its sales position and working round the clock to secure business in this tough economy.

### Acknowledgment

Directors would like to extend their gratitude towards shareholders and staff for their continued support and appreciation.



**Mehreen Obaid Agha**  
Chief Executive Officer



**Sana Bilal**  
Director

Karachi:  
Dated : 28th-OCTOBER 2022

# TOWELLERS LTD

## Financial Position (Un-audited) As at September 30, 2022

Note	UNAUDITED	AUDITED
	30-Sep-22	30-Jun-22
Rupees		

### NON CURRENT ASSETS

Property, plant and equipment	5	3,163,521,682	3,142,611,158
Long term loans		18,428,433	20,486,758
Long term deposits		39,955,787	35,321,400
		<b>3,221,905,902</b>	<b>3,198,419,316</b>

### CURRENT ASSETS

Stores, spare parts and loose tools		74,344,970	77,853,375
Stock in trade		1,198,450,557	1,490,829,863
Trade debts	6	1,261,236,002	1,546,987,008
Loans and advances		82,953,542	61,394,555
Trade deposits and short term prepayments		16,861,299	23,495,653
Other receivables		152,626,664	64,796,301
Income tax and sales tax refundable		372,471,230	474,606,754
Short term investment		911,044,505	228,413,351
Cash and bank balances		1,207,478,383	663,671,503
		<b>5,277,467,152</b>	<b>4,632,048,363</b>

### TOTAL ASSETS

<b>8,499,373,054</b>	<b>7,830,467,679</b>
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### EQUITY AND LIABILITIES

#### SHARE CAPITAL AND RESERVES

##### Authorized capital

25,000,000 (June 30, 2022: 25,000,000) ordinary shares of Rs. 10 each	<b>250,000,000</b>	<b>250,000,000</b>
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##### Issued, subscribed and paid up capital

17,000,000 (June 30, 2022: 17,000,000) ordinary shares of Rs. 10 each	170,000,000	170,000,000
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##### Reserves

3,796,074,750	3,030,788,603
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##### Surplus on revaluation of property, plant & equipment

2,176,312,391	2,190,325,270
<b>6,142,387,141</b>	<b>5,391,113,873</b>

### NON CURRENT LIABILITIES

Deferred liabilities-Gratuity	178,221,944	176,663,441
Long term loan from banking company	10,247,077	10,247,077
	<b>188,469,021</b>	<b>186,910,518</b>

### CURRENT LIABILITIES

Trade and other payables	1,506,712,840	1,454,058,992
Unclaimed dividend	585,945	585,945
Accrued markup	5,011,184	5,933,851
Current portion of long term loan from banking company	853,923	853,923
Short term borrowings	655,353,000	791,010,577
	<b>2,168,516,892</b>	<b>2,252,443,288</b>

### CONTINGENCIES AND COMMITMENTS

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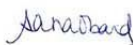
### TOTAL EQUITY AND LIABILITIES

<b>8,499,373,054</b>	<b>7,830,467,679</b>
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The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



**Mehreen Obaid Agha**  
Chief Executive Officer



**Sana Bilal**  
Director



**Adnan Moosaji**  
Chief Financial Officer

Karachi:

Dated : 28th-OCTOBER 2022

# TOWELLERS LTD

## Statement of Profit and Loss Account

For the quarter ended September 30, 2022

	30-Sep-22	30-Sep-21
	Rupees	
Net Sales	3,078,615,839	2,369,513,525
Cost of sales	(2,124,728,821)	(1,922,226,296)
<b>Gross profit / (loss)</b>	<b>953,887,018</b>	<b>447,287,229</b>
Distribution cost	(70,106,634)	(104,142,707)
Administrative expenses	(76,018,017)	(70,721,483)
Other operating expenses	(44,936,473)	(13,861,951)
	<b>(191,061,124)</b>	<b>(188,726,141)</b>
<b>Profit / (loss) from operations</b>	<b>762,825,894</b>	<b>258,561,088</b>
<b>Other charges / income</b>		
Other income	47,360,705	6,783,148
Finance cost	(9,515,218)	(1,967,173)
	<b>37,845,487</b>	<b>4,815,975</b>
<b>Profit / (loss) before taxation</b>	<b>800,671,381</b>	<b>263,377,063</b>
Provision for taxation	(49,398,113)	(16,839,414)
<b>Profit / (loss) for the period</b>	<b>751,273,268</b>	<b>246,537,649</b>
<b>Profit per share-basic and diluted</b>	<b>44.19</b>	<b>14.50</b>

*The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.*

**Mehreen Obaid Agha**  
Chief Executive Officer

**Sana Bilal**  
Director

**Adnan Moosaji**  
Chief Financial Officer

Karachi:  
Dated : 28th-OCTOBER 2022

# TOWELLERS LTD

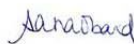
Statement of Comprehensive Income (Un-audited)  
For the quarter ended September 30, 2022

	Quarter ended	
	30-Sep-22	30-Sep-21
	Rupees	
Profit / (loss) for the period	751,273,268	246,537,649
Other comprehensive income for the period	-	-
Items that will not be reclassified to profit and loss account		
Surplus on revaluation of property plant and equipment	-	1,067,235,625
<b>Total comprehensive Profit for the period</b>	<b>751,273,268</b>	<b>1,313,773,274</b>

*The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.*



**Mehreen Obaid Agha**  
Chief Executive Officer



**Sana Bilal**  
Director



**Adnan Moosaji**  
Chief Financial Officer

**Karachi:**  
**Dated : 28th-OCTOBER 2022**

# TOWELLERS LTD

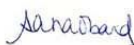
Statement of Changes in Equity (Un-audited)  
For the quarter ended September 30, 2022

Particulars	Share capital	Reserves		Total	
		Capital Share premium	Revenue Unappropriated profit		Capital Reserve Revaluation Surplus
Balance as at July 1, 2021	170,000,000	63,000,000	1,865,578,690	1,179,141,159	3,277,719,849
Profit for the period	-	-	246,537,649	-	246,537,649
Other comprehensive income for the period				1,067,235,625	1,067,235,625
Transferred from surplus on revaluation of property, plant & equipment	-	-	12,072,705	(12,072,705)	-
<b>Balance as at September 30, 2021</b>	<b>170,000,000</b>	<b>63,000,000</b>	<b>2,124,189,044</b>	<b>2,234,304,079</b>	<b>4,591,493,123</b>
Balance as at July 1, 2022	170,000,000	63,000,000	2,967,788,603	2,190,325,270	5,391,113,873
Profit for the period			751,273,268	-	751,273,268
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of property, plant & equipment	-	-	14,012,879	(14,012,879)	-
<b>Balance as at September 30, 2022</b>	<b>170,000,000</b>	<b>63,000,000</b>	<b>3,733,074,750</b>	<b>2,176,312,391</b>	<b>6,142,387,141</b>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



**Mehreen Obaid Agha**  
Chief Executive Officer



**Sana Bilal**  
Director



**Adnan Moosaji**  
Chief Financial Officer

Karachi:  
Dated : 28th-OCTOBER 2022

# TOWELLERS LTD

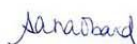
## Cash Flow Statement (Un-audited) For the quarter ended September 30, 2022

	Quarter ended	
	30-Sep-22	30-Sep-21
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	800,671,381	263,377,063
<b>Adjustments for:</b>		
Depreciation	31,629,796	23,664,725
Finance cost	9,515,218	1,967,173
(Gain) / loss on disposal of property, plant and equipment	(1,082,889)	(2,433,439)
Workers' profit participation fund	42,280,393	13,861,951
Sindh workers' welfare fund	2,656,080	-
Provision for gratuity	12,810,744	10,693,173
	97,809,342	47,753,584
Profit before working capital changes	898,480,722	311,130,647
<b>(Increase) / decrease in current assets</b>		
Stock, stores, spare parts and loose tools	295,887,711	(109,153,770)
Trade debts	285,751,006	(907,004,724)
Loans and advances	(21,558,987)	(7,573,313)
Trade deposits and short term prepayments	1,999,967	7,310,725
Other receivables	(87,830,364)	44,405,130
	474,249,333	(972,015,952)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	7,717,375	677,585,199
Cash generated from operations	1,380,447,431	16,699,894
Finance cost paid	(10,437,884)	(1,967,173)
Taxes refund / (paid)	52,737,410	(71,153,038)
Long term loan paid	2,058,325	140,523
Staff retirement benefits - gratuity net	(11,252,241)	(6,642,117)
<b>Net cash generated from operating activities</b>	1,413,553,041	(62,921,912)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	1,240,000	8,200,000
Short term investments	(682,631,153)	-
Fixed capital expenditure	(52,697,431)	(28,045,373)
<b>Net cash used in investing activities</b>	(734,088,584)	(19,845,373)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings - net	(135,657,577)	-
<b>Net cash used in financing activities</b>	(135,657,577)	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	543,806,880	(82,767,285)
Cash and cash equivalents at the beginning of the year	663,671,503	300,397,215
<b>Cash and cash equivalents at the end of the period</b>	<b>1,207,478,383</b>	<b>217,629,931</b>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



**Mehreen Obaid Agha**  
Chief Executive Officer



**Sana Bilal**  
Director



**Adnan Moosaji**  
Chief Financial Officer

**Karachi:**  
**Dated : 28th-OCTOBER 2022**



# TOWELLERS LTD

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

For the quarter ended September 30, 2022

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

### 2 BASIS OF PREPARATION

#### Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Finance Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2022.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 237(2) of the Companies Act, 2017.

These condensed financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the quarter ended September 30, 2022.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2022.

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

### 4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022.

### 5 PROPERTY, PLANT AND EQUIPMENT

	(Un-audited)	(Audited)
Note	30-Sep-22	30-Jun-22
	----- Rupees -----	

# TOWELLERS LTD

Operating assets	5.1	2,912,154,553	2,894,734,076
Capital work in progress-at cost	5.2	251,367,129	247,877,082
		<u>3,163,521,682</u>	<u>3,142,611,158</u>

## 5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	30-Sep-22	30-Jun-22
	----- Rupees -----	
<b>Net book value at the beginning of the period/year</b>	2,894,734,076	1,645,298,542
<b>Additions / Surplus on revaluation during the period/year</b>		
Leasehold land	-	912,021,731
Building on leasehold land	118,500	113,853,682
Plant and machinery	41,282,581	313,411,322
Furniture and fixture	134,800	3,697,414
Office equipment	3,754,503	15,374,123
Solar plant	1,467,000	13,695,935
Vehicles	2,450,000	1,224,000
	<u>49,207,384</u>	<u>1,373,278,207</u>
Net book value of assets disposed during the period/year	(157,111)	(7,074,892)
Depreciation for the period/year	(31,629,796)	(116,767,781)
<b>Net book value at the end of the period/year</b>	<u>2,912,154,553</u>	<u>2,894,734,076</u>

## 5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-22	30-Jun-22
	----- Rupees -----	
Building	106,505,537	103,099,420
Plant and machinery	144,861,592	144,777,662
	<u>251,367,129</u>	<u>247,877,082</u>

## 6 TRADE DEBTS

	(Un-audited)	(Audited)
Note	30-Sep-22	30-Jun-22
	----- Rupees -----	
<b>Secured - considered good</b>		
Foreign debts	1,271,261,795	1,553,500,585
<b>Unsecured - considered good</b>		
Domestic debts	4,600,810	8,113,026
	4,600,810	8,113,026
	<u>1,275,862,605</u>	<u>1,561,613,611</u>
Allowance for ECL	(14,626,603)	(14,626,603)
	<u>1,261,236,002</u>	<u>1,546,987,008</u>

# TOWELLERS LTD

## 7 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies since the last audited financial statements.

	(Un-audited)	(Audited)
	30-Sep-22	30-Jun-22
	-----Rupees-----	

### 7.1 Contingencies

Bank guarantees issued in the ordinary course of business

14,350,018 14,350,018

### 7.2 Commitments

There were no commitments as on period ended.

## 8 TRANSACTIONS WITH RELATED PARTIES

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

Nature of transaction	Relationship	Rupees
Salaries and other benefits	C.E.O & Directors	14,809,734

## 9 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **28th October 2022** by the board of directors of the company.

## 10 GENERAL

Figures have been rounded off to the nearest rupees.

**Mehreen Obaid Agha**  
Chief Executive Officer

**Sana Bilal**  
Director

**Adnan Moosaji**  
Chief Financial Officer

**Karachi:**  
**Dated : 28th-OCTOBER 2022**

# **BOOK POST**

UNDER POSTAL CERTIFICATE

If undelivered, please return to:

**TOWELLERS LIMITED**

W.S.A. 30, Block-1, Federal 'B' Area, Karachi.