



# **Towellers Limited**

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**Unaudited Accounts for the  
Quarter Ended  
September 30th, 2021**

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

# 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.	Abdul Jalil Shariff	Director
Mr.	Valy Tariq Rangoon wala	Independent Director

## BOARD AUDIT COMMITTEE

Mr.	Valy Tariq Rangoon wala	Chairman
Mrs.	Hadeel Obaid	Member
Mr.	Abdul Jalil Shariff	Member

## HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr.	Valy Tariq Rangoonwala	Chairman
Mr.	Zeeshan K. Sattar	Member
Mr.	Abdul Jalil Shariff	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  
Muslim Commercial Bank Limited  
Faysal Bank Ltd  
Dubai Islamic Bank Pakistan Ltd  
Meezan Bank Limited

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

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, 2021.

By the Grace of Almighty Allah, the Company's tremendous performance has continued during the first quarter of the year 2022. The Company has achieved a turnover of Rs. 2.36 Billion as compared to Rs. 1.33 B during the first quarter last year growing by an impressive 78%. Such a turnover during one quarter is unprecedented during the recent past. The average turnover per month has been Rs. 789.8 M as compared to Rs. 442 M same period last year. The profit after tax is Rs. 246.54 M as compared to Rs. 182.71 M during the same period last year.

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

## FINANCIAL HIGHLIGHTS

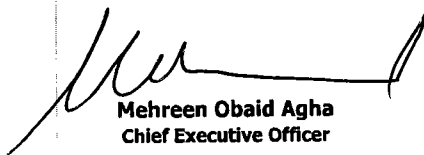
### FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Rupees in Thousands	
	2021	2020
Sales	2,369,514	1,325,987
Gross Profit	447,287	295,890
Profit from operations	258,561	186,372
Taxation	16,839	10,795
Profit after taxation	246,538	182,711

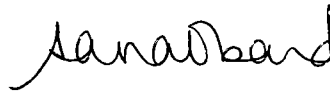
The Company is hoping to continue such performance in future for which the management is striving to enhance its production capacity.

## 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 2021

# TOWELLERS LTD

**Financial Position (Un-audited)**  
As at September 30, 2021

	Note	UNAUDITED	AUDITED
		30-Sep-21	30-Jun-21
Rupees			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	2,876,375,297	1,810,525,586
Long term loans		19,360,973	19,501,496
Long term deposits		33,010,300	29,349,160
		<b>2,928,746,570</b>	<b>1,859,376,242</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		32,335,987	50,934,963
Stock in trade		1,229,485,910	1,101,733,164
Trade debts	6	1,359,805,400	452,800,676
Loans and advances		60,463,408	52,890,095
Trade deposits and short term prepayments		5,766,500	16,738,365
Other receivables		142,620,211	187,025,341
Income tax and sales tax refundable		329,441,872	275,128,248
Cash and bank balances		217,629,931	300,397,215
		<b>3,377,549,219</b>	<b>2,437,648,067</b>
<b>TOTAL ASSETS</b>		<b>6,306,295,789</b>	<b>4,297,024,309</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
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			
17,000,000 (June 30, 2021: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		2,187,189,044	1,928,578,690
Surplus on revaluation of property, plant & equipment		2,234,304,079	1,179,141,159
		<b>4,591,493,123</b>	<b>3,277,719,850</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities-Gratuity		178,844,766	174,793,710
		<b>178,844,766</b>	<b>174,793,710</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,535,957,900	844,510,750
		<b>1,535,957,900</b>	<b>844,510,750</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,306,295,789</b>	<b>4,297,024,309</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 2021

# TOWELLERS LTD

## Statement of Profit and Loss Account For the quarter ended September 30, 2021

	30-Sep-21	30-Sep-20
	Rupees	
Net Sales	2,369,513,525	1,325,987,025
Cost of sales	(1,922,226,296)	(1,030,097,289)
<b>Gross profit / (loss)</b>	<b>447,287,229</b>	<b>295,889,736</b>
Distribution cost	(104,142,707)	(35,501,872)
Administrative expenses	(70,721,483)	(63,831,679)
Other operating expenses	(13,861,951)	(10,184,528)
	<b>(188,726,141)</b>	<b>(109,518,079)</b>
<b>Profit / (loss) from operations</b>	<b>258,561,088</b>	<b>186,371,657</b>
<b>Other charges / income</b>		
Other income	6,783,148	7,929,259
Finance cost	(1,967,173)	(794,875)
	<b>4,815,975</b>	<b>7,134,384</b>
<b>Profit / (loss) before taxation</b>	<b>263,377,063</b>	<b>193,506,041</b>
Provision for taxation	(16,839,414)	(10,794,869)
<b>Profit / (loss) for the period</b>	<b>246,537,649</b>	<b>182,711,172</b>
<b>Profit per share-basic and diluted</b>	<b>14.50</b>	<b>10.75</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 Mousaji**  
Chief Financial Officer

Karachi:  
Dated : 28th-OCTOBER 2021

# TOWELLERS LTD

**Statement of Comprehensive Income (Un-audited)**  
**For the quarter ended September 30, 2021**

	Quarter ended	
	30-Sep-21	30-Sep-20
	Rupees	
Profit / (loss) for the period	246,537,649	182,711,172
<b>Other comprehensive income for the period</b>		
<b>Items that will not be reclassified to profit and loss account</b>		
Surplus on revaluation of property plant and equipment	1,067,235,625	-
<b>Total comprehensive Profit for the period</b>	<b>1,313,773,274</b>	<b>182,711,172</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 2021**

# TOWELLERS LTD

**Statement of Changes in Equity (Un-audited)**  
For the quarter ended September 30, 2021

Particulars	Share capital	Capital Share premium	Reserves	Capital Reserve Revaluation Surplus	Total
			Revenue Unappropriated profit		
Balance as at July 1, 2020	170,000,000	63,000,000	1,254,201,714	1,227,048,962	2,714,250,676
Profit for the period			182,711,172	-	182,711,172
Transferred from surplus on revaluation of property, plant & equipment			11,976,951	(11,976,951)	-
<b>Balance as at September 30, 2020</b>	<b>170,000,000</b>	<b>63,000,000</b>	<b>1,448,889,837</b>	<b>1,215,072,011</b>	<b>2,896,961,848</b>
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>

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 2021

# TOWELLERS LTD

**Cash Flow Statement (Un-audited)**  
For the quarter ended September 30, 2021

	Quarter ended	
	30-Sep-21	30-Sep-20
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	263,377,063	193,506,041
<b>Adjustments for:</b>		
Depreciation	23,664,725	22,660,797
Finance cost	1,967,173	794,875
(Gain) / loss on disposal of property, plant and equipment	(2,433,439)	(761,114)
Workers' profit participation fund	13,861,951	10,184,528
Provision for gratuity	10,693,173	9,073,089
	47,753,584	41,952,176
Profit before working capital changes	311,130,647	235,458,217
<b>(Increase) / decrease in current assets</b>		
Stock, stores, spare parts and loose tools	(109,153,770)	(233,707,089)
Trade debts	(907,004,724)	(279,477,053)
Loans and advances	(7,573,313)	(1,659,489)
Trade deposits and short term prepayments	7,310,725	(216,894)
Other receivables	44,405,130	(26,190,403)
	(972,015,952)	(541,250,928)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	677,585,199	356,796,117
Cash generated from operations	16,699,894	51,003,406
Finance cost paid	(1,967,173)	(794,875)
Taxes refund / (paid)	(71,153,038)	(15,873,437)
Long term loan paid	140,523	(132,174)
Staff retirement benefits - gratuity net	(6,642,117)	(7,272,317)
<b>Net cash generated from operating activities</b>	(62,921,911)	26,930,604
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	8,200,000	9,685,000
Fixed capital expenditure	(28,045,373)	(40,462,541)
<b>Net cash used in investing activities</b>	(19,845,373)	(30,777,541)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	-	-
<b>Net cash used in financing activities</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	(82,767,284)	(3,846,937)
Cash and cash equivalents at the beginning of the year	300,397,215	350,295,502
<b>Cash and cash equivalents at the end of the period</b>	<b>217,629,931</b>	<b>346,448,564</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 2021



# TOWELLERS LTD

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

For the quarter ended September 30, 2021

### 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, 2021.

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, 2021.

### 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, 2021.

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, 2021.

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, 2021.

### 5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	30-Sep-21	30-Jun-21
		Rupees	
Operating assets	5.1	2,695,987,407	1,645,298,540
Capital work in progress-at cost	5.2	180,387,890	165,227,045
		<u>2,876,375,297</u>	<u>1,810,525,585</u>

# TOWELLERS LTD

## 5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	30-Sep-21	30-Jun-21
	Rupees	
Net book value at the beginning of the period/year	1,645,298,540	1,657,507,833
<b>Additions / Surplus on revaluation during the period/year</b>		
Leasehold land	912,021,731	-
Building on leasehold land	113,972,182	-
Plant and machinery	50,015,392	47,121,777
Furniture and fixture	726,971	2,180,555
Office equipment	2,159,878	13,311,936
Software	-	3,752,985
Vehicles	1,224,000	24,902,676
	<b>1,080,120,153</b>	<b>91,269,930</b>
Net book value of assets disposed during the period/year	(5,766,561)	(9,156,702)
Depreciation for the period/year	(23,664,725)	(94,322,521)
Net book value at the end of the period/year	<b>2,695,987,407</b>	<b>1,645,298,540</b>

## 5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-21	30-Jun-21
	Rupees	
Building	49,333,874	37,503,407
Plant and machinery	131,054,016	127,723,638
	<b>180,387,890</b>	<b>165,227,045</b>

## 6 TRADE DEBTS

	Note	(Un-audited)	(Audited)
		30-Sep-21	30-Jun-21
		Rupees	
<b>Secured - considered good</b>			
Foreign debts		1,347,133,043	443,792,171
<b>Unsecured - considered good</b>			
Domestic debts		12,672,357	9,008,505
		12,672,357	9,008,505
		<b>1,359,805,400</b>	<b>452,800,675</b>
		<b>1,359,805,400</b>	<b>452,800,675</b>

## 7 CONTINGENCIES AND COMMITMENTS

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

	(Un-audited)	(Audited)
	30-Sep-21	30-Jun-21
	Rupees	
7.1 Contingencies		
Bank guarantees issued in the ordinary course of business	14,350,018	14,350,018

# TOWELLERS LTD

## 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	10,215,989

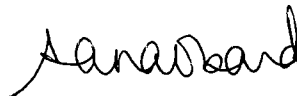
## 9 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **28th October 2021** 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 2021**

# BOOK POST

UNDER POSTAL CERTIFICATE

If undelivered, please return to:

**TOWELLERS LIMITED**

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