



Towellers Limited

**Unaudited Accounts for the
Nine Months Ended
March 31st, 2024**

www.towellers.com



Contents

	Page
Company Information	2
Director's Report English/Urdu	3-4
Balance Sheet	5
Profit and Loss Account	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Cash Flow Statement	9
Notes to the Accounts	10-12

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:

www.towellers.com

Company Registration
C.R. # 0004042

National Tax
NTN 0676889-0, Sales Tax # 02-03-5111-007-55

& Sales Tax No.

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 third quarter ended March 31, 2024.

The Company's year to date export sales (Rs. 9.21 B) have grown by 22% as compared to the same period last year i.e. Rs. 7.55 B. Whereas, sales during the third quarter remained at Rs. 2.55 B as compared to Rs. 1.89 B during the corresponding period. Low margins have continued during current quarter as well resulting in lower net profitability and EPS. Increased costs of inputs, energy, labor and Super Tax have contributed in the increased cost of doing business. The year-to-date profit after tax is Rs. 663.95 M as compared to Rs. 1.55 B during the same period last year.

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

FINANCIAL HIGHLIGHTS

NINE MONTHS ENDED MARCH 31, 2024

	Rupees in Thousands	
	2024	2023
Sales	9,212,267	7,546,037
Gross Profit	1,160,129	2,126,819
Profit from operations	526,486	1,542,090
Taxation	214,106	144,318
Profit after taxation	663,955	1,552,483

During the quarter, we have seen some stability in foreign exchange parity, some reduction in inflation and reduction in current account deficits. However, interest rates are still very high, energy costs are at their peak, the demand in the international market is suppressed and there is fiercest competition in the regional / international market. Highest costs of inputs have increased the challenges in such extremely competitive international market. Introduction of slabs for Super Tax is also taking its toll which has increased the taxation burden on our already tough business atmosphere. Unless, highest cost factors of interest rate and energy are eased out, the sustainability of profit margins will remain challenging.

We hope and pray that the new government will take quick measures to make business environment favorable for the industry.

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 : 26th-APRIL 2024

TOWELLERS LTD

حصص یاڈنگان کیلئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 31 مارچ، 2024 کو ختم ہونے والی تیسری سہ ماہی کیلئے کمپنی کے غیر ہڑتال شدہ مالی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرنے میں مسرت محسوس کر رہے ہیں۔

کمپنی کی مالی سال کے آغاز سے اب تک کی برآمدات گزشتہ سال کی اسی مدت کی 7.55 بلین روپے کے مقابلے میں 22 فیصد اضافہ کے ساتھ 9.21 بلین روپے رہی۔ کمپنی کی تیسری سہ ماہی کیلئے فروخت گزشتہ سال کی اسی مدت کے 1.89 بلین روپے کے مقابلے میں 2.55 بلین روپے رہی۔ موجودہ سہ ماہی کے دوران مارجن کی شرح کم ہونے کے نتیجے میں منافع اور فی حصص آمدن بھی کم رہی۔ پیداواری لاگتوں، توانائی، افرادی قوت اور پرنٹس میں اضافہ کی وجہ سے کاروبار کرنے کی لاگت بڑھی۔ کمپنی کا موجودہ مدت کیلئے بعد از ٹیکس منافع گزشتہ سال کی اسی مدت کے دوران 1.55 بلین روپے کے مقابلے میں 663.95 ملین روپے رہا۔

کمپنی کی مالی کارکردگی کے خدو خال درج ذیل ہیں

مالیاتی خدو خال

برائے نو ماہ، اختتامہ 31 مارچ، 2024

2023	2024	
7,546,037	9,212,267	فروخت
2,126,819	1,160,129	مجموعی منافع
1,542,090	526,486	آپریشنز سے حاصل شدہ منافع
144,318	214,106	ٹیکس کی ادائیگی
1,552,483	663,955	بعد از ٹیکس منافع

سہ ماہی کے دوران غیر ملکی مبادلہ مساوات میں کچھ استحکام اور بڑھتی اور حسابات جاریہ کے خسارے میں کمی دیکھنے کو ملی۔ تاہم سود کی شرح اب بھی زیادہ ہے تو توانائی کی قیمتیں آسمان کو چھوری ہیں، عالمی مارکیٹ میں طلب و باڈ کا فنکار ہے اور علاقائی اور عالمی مارکیٹ میں سخت مسابقت کا رجحان پایا جا رہا ہے۔ بہت زیادہ پیداواری لاگتوں نے اس طرح کی انتہائی مسابقتی عالمی مارکیٹ میں چیلنجز میں اضافہ کر دیا ہے۔ پرنٹس کیلئے سلیجز کے نفاذ سے بھی منفی اثرات مرتب ہو رہے ہیں جس نے پہلے سے سخت کاروباری ماحول میں ٹیکسوں کے بوجھ میں اضافہ کر دیا ہے۔ جب تک کے انتہائی شرح سود اور توانائی کی قیمتوں کے عوامل پر قابو نہیں پایا جاتا، پانچ ماہی منافع اس وقت تک پہنچ رہے گا۔

ہم امید کرتے ہیں اور دعا گو ہیں کہ نئی حکومت انڈسٹری کیلئے کاروباری ماحول سازگار بنانے کیلئے فوری اقدامات اٹھائے گی۔

اظہار نظر

ڈائریکٹرز اپنے شیئر ہولڈرز اور عملے کی طرف سے ہم پر مسلسل اعتماد اور تحسین پر ان کے شکر گزار ہیں۔

ثناء جلال

ڈائریکٹر

مہرین سعید آغا

چیف ایگزیکٹو آفیسر

مورخہ: 26 اپریل، 2024

TOWELLERS LTD

Condensed Interim Statement of Financial Position (Un-audited)
As at March 31, 2024

Note	UNAUDITED	AUDITED
	31-Mar-24	30-Jun-23
	Rupees	

NON CURRENT ASSETS

Property, plant and equipment	5	3,754,585,601	3,250,949,018
Long term loans		22,400,407	19,250,419
Long term deposits		32,904,312	44,271,116
		3,809,890,320	3,314,470,553

CURRENT ASSETS

Stores, spare parts and loose tools		59,244,176	64,105,747
Stock in trade	6	1,490,054,334	1,624,943,040
Trade debts	7	1,566,527,040	2,246,392,773
Loans and advances		272,286,712	115,391,739
Trade deposits and short term prepayments		32,316,664	30,235,574
Other receivables		198,395,092	150,613,511
Income tax and sales tax refundable		431,700,770	653,109,675
Short term investment		1,629,868,399	1,352,260,073
Cash and bank balances	8	950,594,202	430,403,190
		6,630,987,389	6,667,455,322

TOTAL ASSETS

10,440,877,709 **9,981,925,875**

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized capital 25,000,000 (June 30, 2023: 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, 2023: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		5,786,891,236	5,255,653,945
Surplus on revaluation of property, plant & equipment		2,097,808,751	2,135,091,527
		8,054,699,987	7,560,745,472

NON CURRENT LIABILITIES

Deferred liabilities-Gratuity		168,925,282	176,081,034
Long term loan from banking company		36,511,000	9,108,513
		205,436,282	185,189,547

CURRENT LIABILITIES

Trade and other payables		2,175,406,063	2,233,290,570
Unclaimed dividend		3,519,240	1,459,345
Accrued markup		677,573	102,377
Current portion of long term loan from banking company		1,138,564	1,138,564
		2,180,741,440	2,235,990,856

CONTINGENCIES AND COMMITMENTS

9

TOTAL EQUITY AND LIABILITIES

10,440,877,709 **9,981,925,875**

The annexed notes 1 to 12 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 : 26th-APRIL 2024

TOWELLERS LTD

Condensed Interim Statement of Profit or Loss (Un-audited)

For the half year ended March 31, 2024

	9 Months Ended		Quarterly	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Rupees			
Net Sales	9,212,267,254	7,546,037,115	2,550,378,740	1,884,749,659
Cost of sales	(8,052,138,198)	(5,419,217,882)	(2,307,637,360)	(1,279,672,179)
Gross profit / (loss)	1,160,129,056	2,126,819,233	242,741,380	605,077,480
Distribution cost	(255,688,764)	(239,805,547)	(87,572,967)	(73,159,526)
Administrative expenses	(323,602,199)	(248,945,293)	(139,989,131)	(99,182,723)
Other operating expenses	(54,351,963)	(95,978,696)	(8,764,054)	(25,833,608)
	(633,642,926)	(584,729,536)	(236,326,152)	(198,175,857)
Profit / (loss) from operations	526,486,130	1,542,089,697	6,415,228	406,901,623
Other charges / income				
Other income	364,466,672	224,039,085	125,332,330	86,241,309
Finance cost	(12,892,387)	(69,328,111)	(4,963,378)	(34,624,310)
	351,574,285	154,710,974	120,368,952	51,616,999
Profit / (loss) before taxation	878,060,415	1,696,800,671	126,784,180	458,518,622
Provision for taxation	(214,105,900)	(144,317,778)	(68,404,038)	(46,157,688)
Profit / (loss) for the period	663,954,515	1,552,482,893	58,380,142	412,360,934
Profit per share-basic and diluted	39.06	91.32	3.43	24.26

The annexed notes 1 to 12 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 : 26th-APRIL 2024

TOWELLERS LTD

Condensed Statement of Comprehensive Income (Un-audited)
For the half year ended March 31, 2024

	9 Months Ended		Quarter ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Rupees		Rupees	
Profit / (loss) for the period	663,954,515	1,552,482,893	58,380,142	412,360,934
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	-	-	-	-
Total comprehensive Profit for the period	663,954,515	1,552,482,893	58,380,142	412,360,934

The annexed notes 1 to 12 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 : 26th-APRIL 2024

TOWELLERS LTD

Condensed Statement of Changes in Equity (Un-audited) For the half year ended March 31, 2024

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Capital Reserve	
		Share premium	Unappropriated profit	Revaluation Surplus	
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			1,552,482,893	-	1,552,482,893
Other comprehensive income for the period			-	-	-
Annual dividend of PKR 10.00 per share for the year ended June 30, 2022			(170,000,000)	-	(170,000,000)
Transferred from surplus on revaluation of property, plant & equipment			64,675,535	(64,675,535)	-
Balance as at March 31, 2023	170,000,000	63,000,000	4,414,947,031	2,125,649,735	6,773,596,766
Balance as at July 1, 2023	170,000,000	63,000,000	5,192,653,945	2,135,091,527	7,560,745,472
Profit for the period			663,954,515	-	663,954,515
Other comprehensive income for the period	-	-	-	-	-
Annual dividend of PKR 10.00 per share for the year ended June 30, 2023			(170,000,000)	-	(170,000,000)
Transferred from surplus on revaluation of property, plant & equipment	-	-	37,282,776	(37,282,776)	-
Balance as at March 31, 2024	170,000,000	63,000,000	5,723,891,236	2,097,808,751	8,054,699,987

The annexed notes 1 to 12 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 : 26th-APRIL 2024

TOWELLERS LTD

Condensed Cash Flow Statement (Un-audited)
For the half year ended March 31, 2024

	9 Months Ended	
	31-Mar-24	31-Mar-23
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	878,060,415	1,696,800,671
Adjustments for:		
Depreciation	131,210,460	97,448,309
Finance cost	12,892,387	69,328,111
(Gain) / loss on disposal of property, plant and equipment	(2,230,320)	(2,640,516)
Workers' profit participation fund & workers welfare fund	54,351,963	89,305,299
Provision for gratuity	34,068,552	38,432,232
	230,293,042	291,873,435
Profit before working capital changes	1,108,353,457	1,988,674,106
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	139,750,277	(2,683,070)
Trade debts	679,865,733	764,869,774
Loans and advances	(156,894,973)	(230,939,915)
Trade deposits and short term prepayments	9,285,710	(30,935,877)
Other receivables	(47,781,581)	(124,523,825)
	624,225,166	375,787,087
(Decrease) / increase in current liabilities		
Trade and other payables	23,559,256	313,020,514
Cash generated from operations	1,756,137,878	2,677,481,707
Finance cost paid	(12,317,191)	(54,649,115)
Taxes refund / (paid)	7,303,005	(81,234,710)
Long term loan paid	(3,149,988)	(4,198,101)
Workers' profit participation fund paid	(135,795,726)	(62,368,101)
Staff retirement benefits - gratuity net	(41,224,304)	(32,705,457)
Net cash generated from operating activities	1,570,953,674	2,442,326,225
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	2,670,000	2,858,000
Short term investment	(277,608,326)	(1,444,935,695)
Fixed capital expenditure	(635,286,717)	(157,195,113)
Net cash used in investing activities	(910,225,043)	(1,599,272,809)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings - net	27,402,487	(669,940,859)
Dividend paid	(167,940,105)	(167,179,967)
Net cash used in financing activities	(140,537,618)	(837,120,826)
Net increase / (decrease) in cash and cash equivalents	520,191,012	5,932,590
Cash and cash equivalents at the beginning of the year	430,403,190	663,671,503
Cash and cash equivalents at the end of the period	950,594,202	669,604,093

The annexed notes 1 to 12 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 : 26th-APRIL 2024

TOWELLERS LTD

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

For the half year ended March 31, 2024

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, 2023.

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 half year ended March 31, 2024.

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, 2023.

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, 2023.

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, 2023.

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	31-Mar-24	30-Jun-23
		----- Rupees -----	
Operating assets at net book value (note 5.1)	5.1	3,560,193,841	3,105,865,656
Capital work in progress-at cost (note 5.2)	5.2	194,391,760	145,083,362
		<u>3,754,585,601</u>	<u>3,250,949,018</u>

TOWELLERS LTD

5.1 Following is the cost of operating fixed assets that have been added / disposed off during the period ended March 31, 2024:

	Additions / Transfers (at cost)		Disposals at net book value	
	31-Mar-24 (Unaudited)	30-Jun-23 (Audited)	31-Mar-24 (Unaudited)	30-Jun-23 (Audited)
	----- Rupees -----			
Leasehold land	-	-	-	-
Building on leasehold land	104,868,386	69,307,485	-	-
Plant and machinery	377,816,938	215,966,705	-	6,504,905
Furniture and fixture	2,419,130	471,316	-	-
Office equipment	14,913,237	10,435,352	-	-
Solar	32,242,200	1,467,000	-	-
Vehicles	53,718,428	49,052,987	3,206,801	3,882,740
	585,978,319	346,700,845	3,206,801	10,387,645

5.2 CAPITAL WORK IN PROGRESS

Land & building	109,164,484	78,666,692
Plant and machinery	85,227,276	66,416,670
	194,391,760	145,083,362

6 STOCK IN TRADE

Raw material	607,990,210	559,197,259
Work in process	337,520,236	380,583,731
Finished goods	544,543,888	685,162,050
	1,490,054,334	1,624,943,040

7 TRADE DEBTS

Secured - considered good		
Foreign debts	1,572,970,593	1,719,273,725
Unsecured - considered good		
Domestic debts	14,115,162	2,764,649
Allowance for ECL	(20,558,715)	(20,558,715)
	1,566,527,040	1,701,479,659

8 CASH AND BANK BALANCE

Cash in hand	6,664,589	1,571,142
Cash at banks	943,929,613	428,832,048
	950,594,202	430,403,190

9 CONTINGENCIES AND COMMITMENTS

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

9.1 Contingencies

Bank guarantees issued in the ordinary course of business	22,000,000	16,231,418
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9.2 Commitments

There were no commitments as on period ended.

TOWELLERS LTD

10 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	49,978,558

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 26 April 2024 by the board of directors of the company.

12 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 : 26th-APRIL 2024