



Towellers Limited

**Unaudited Accounts for the
Quarter Ended
September 30th, 2024**

www.towellers.com

A large, faint watermark of the Towellers Limited logo is visible in the bottom right corner of the page, behind the website address.

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
Mr.	Zeeshan K. Sattar	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr.	Niaz Muhammad	Chairman
Mrs.	Mehreen Obaid Agha	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
Bank Alfalah

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 No.
Sales Tax # 02-03-5111-007-55

FACTORIES

Plots No. 14 & 17/1 Sector 12-D, N.K.I.A. Plot No. 9 & 10, Sector 12-C, N.K.I.A., Karachi,
PLOT NO. 48, SECTOR - 28, Korangi Industrial Area, Korangi 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, 2024.

The sales during the first quarter has shrunk by 6.8% as compared to the same period last year. Sales during the first quarter remained at Rs. 3.6 B as compared to Rs. 3.9 B during the corresponding period. Profit margins have also reduced during the same period to which excessive provisions of income tax, super tax and deferred tax, have also contributed besides the challenging international competition and increased cost of doing business. Starting from this quarter, the Company is now falling under the normal tax regime which has resulted in higher tax charge implication as compared to the presumptive tax regime earlier on. The profit after tax is Rs. 177.80 M as compared to Rs. 504 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, 2024

	Rupees in Thousands	
	2024	2023
Sales	3,634,444	3,899,691
Gross Profit	471,024	700,218
Profit from operations	281,618	485,877
Taxation	103,817	76,013
Profit after taxation	177,801	503,993

The Company has undertaken major capital expenditures during last couple of years as a result of which the higher turnover could be anticipated during the year and onwards. However, improvement in profitability might still remain a challenge. Government must implement equitable form of taxation and rational fiscal measures throughout the country to reduce the burden of tax and cost of doing business for industries in general and exporters in particular. Political turmoil must also settle within the country to promote conducive business atmosphere.

Acknowledgment

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


Mehreen Obaid Agha
Chief Executive Officer

Karachi:
Dated : 29th-October 2024


Sana Bilal
Director

TOWELLERS LTD

Condensed Financial Position (Un-audited) As at September 30, 2024

Note	UNAUDITED	AUDITED
	30-Sep-24	30-Jun-24

Rupees

NON CURRENT ASSETS

Property, plant and equipment	5	5,703,122,639	5,603,824,200
Right Of Use Asset		5,299,903	5,435,798
Long term loans		23,026,355	22,164,318
Long term deposits		29,779,925	29,779,925
		5,761,228,822	5,661,204,241

CURRENT ASSETS

Stores, spare parts and loose tools		67,160,015	57,969,566
Stock in trade		1,397,696,320	1,479,224,852
Trade debts	6	2,233,080,921	2,205,193,423
Loans and advances		342,645,826	285,061,152
Trade deposits and short term prepayments		28,279,931	36,318,400
Other receivables		215,841,015	218,820,248
Income tax and sales tax refundable		645,195,431	503,149,543
Short term investment		448,064,081	786,037,671
Cash and bank balances		900,364,968	701,752,715
		6,278,328,508	6,273,527,570

TOTAL ASSETS

12,039,557,330 **11,934,731,811**

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized capital

25,000,000 (June 30, 2024: 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, 2024: 17,000,000) ordinary shares of Rs. 10 each **170,000,000** **170,000,000**

Reserves **5,895,811,552** **5,689,919,726**

Surplus on revaluation of property, plant & equipment **2,851,767,627** **2,879,858,480**

8,917,579,179 **8,739,778,206**

NON CURRENT LIABILITIES

Staff Retirement Benefits		193,804,922	190,275,002
Deferred Tax		385,074,938	368,279,868
Lease Liability		4,040,627	4,040,627
Long Term Loan		31,480,179	32,508,409
		614,400,666	595,103,906

CURRENT LIABILITIES

Trade And Other Payables		2,207,659,420	2,339,921,802
Unclaimed Dividend		3,519,240	3,519,240
Accrued Markup		125,901	135,733
Current Portion Lease Liability		2,160,000	2,160,000
Current Portion Long Term Loan		4,112,924	4,112,924
Short Term Borrowings		290,000,000	250,000,000
		2,507,577,485	2,599,849,699

CONTINGENCIES AND COMMITMENTS

7

TOTAL EQUITY AND LIABILITIES

12,039,557,330 **11,934,731,811**

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 : 29th-October 2024

TOWELLERS LTD

Condensed Interim Statement of Profit and Loss Account For the quarter ended September 30, 2024

	30-Sep-24	30-Sep-23
	Rupees	
Net Sales	3,634,444,390	3,899,691,343
Cost of sales	(3,163,420,443)	(3,199,473,549)
Gross profit / (loss)	471,023,947	700,217,794
Distribution cost	(126,171,840)	(85,585,966)
Administrative expenses	(105,029,201)	(94,626,788)
Other operating expenses	(17,682,033)	(34,128,244)
Other income	66,211,544	98,662,149
	(182,671,530)	(115,678,849)
Profit / (loss) from operations	288,352,417	584,538,945
Finance cost	(6,734,434)	(4,533,216)
Profit/ (loss) Before Levies And Income Tax	281,617,983	580,005,729
Levies	(47,167,934)	(53,672,369)
Profit Before Income Tax	234,450,049	526,333,360
Income Tax Expenses	(56,649,076)	(22,340,114)
Profit / (loss) for the period	177,800,973	503,993,246
Profit per share-basic and diluted	10.46	29.65

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 : 29th-October 2024

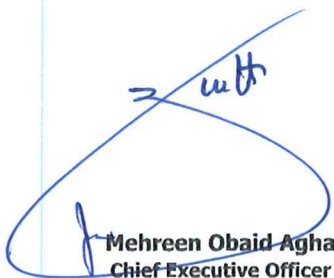
TOWELLERS LTD

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended September 30, 2024

	Quarter ended	
	30-Sep-24	30-Sep-23
	Rupees	
Profit / (loss) for the period	177,800,973	503,993,246
Other comprehensive income for the period	-	-
Total comprehensive Profit for the period	177,800,973	503,993,246

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 : 29th-October 2024

TOWELLERS LTD

Condensed Interim Statement of Changes in Equity (Un-audited)
For the quarter ended September 30, 2024

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Capital Reserve	
		Share premium	Unappropriated profit	Revaluation Surplus	
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	-	-	503,993,246	-	503,993,246
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of property, plant & equipment	-	-	13,808,436	(13,808,436)	-
Balance as at September 30, 2023	170,000,000	63,000,000	5,710,455,628	2,121,283,090	8,064,738,718
Balance as at July 1, 2021	170,000,000	63,000,000	5,626,919,726	2,879,858,480	8,739,778,206
Profit for the period	-	-	177,800,973	-	177,800,973
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of property, plant & equipment	-	-	28,090,853	(28,090,853)	-
Balance as at September 30, 2024	170,000,000	63,000,000	5,832,811,552	2,851,767,627	8,917,579,179

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 : 29th-October 2024

TOWELLERS LTD

Condensed Interim Cash Flow Statement (Un-audited) For the quarter ended September 30, 2024

	Quarter ended	
	30-Sep-24	30-Sep-23
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	281,617,983	580,005,729
Adjustments for:		
Depreciation	70,277,562	37,274,035
Depreciation-right of use asset	135,895	-
Finance cost	6,734,434	4,533,216
(Gain) / loss on disposal of property, plant and equipment	(1,510,003)	(2,186,349)
Workers' profit participation fund	14,821,999	30,526,617
Sindh workers' welfare fund	2,860,034	3,601,627
Provision for gratuity	16,986,068	11,719,824
	110,305,989	85,468,970
Profit before working capital changes	391,923,972	665,474,699
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	72,338,083	434,451,544
Trade debts	(27,887,498)	544,913,114
Loans and advances	(57,584,674)	(55,929,678)
Trade deposits and short term prepayments	8,038,470	6,436,857
Other receivables	2,979,233	(32,635,713)
	(2,116,386)	897,236,124
(Decrease) / increase in current liabilities		
Trade and other payables	(149,944,415)	(136,747,486)
Cash generated from operations	239,863,171	1,425,963,337
Finance cost paid	(6,744,265)	(4,635,593)
Taxes refund / (paid)	(229,067,825)	(100,619,883)
Long term loan paid	(862,037)	(630,455)
Staff retirement benefits - gratuity net	(13,456,148)	(13,718,197)
Net cash generated from operating activities	(10,267,106)	1,306,359,209
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	1,800,000	2,260,000
Short term investments	337,973,589	279,637,175
Fixed capital expenditure	(169,865,999)	(92,830,876)
Net cash used in investing activities	169,907,590	189,066,299
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings - net	38,971,769	28,715,359
Dividend paid	-	(3,575)
Net cash used in financing activities	38,971,769	28,711,784
Net increase / (decrease) in cash and cash equivalents	198,612,253	1,524,137,292
Cash and cash equivalents at the beginning of the year	701,752,715	430,403,190
Cash and cash equivalents at the end of the period	900,364,968	1,954,540,482

The annexed notes 6 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 : 29th-October 2024

TOWELLERS LTD

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

For the quarter ended September 30, 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 - I, 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, 2024.

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, 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, 2024.

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, 2024.

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, 2024.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		30-Sep-24	30-Jun-24
		Rupees	
Operating assets	5.1	5,338,809,257	5,389,245,472
Capital work in progress-at cost	5.2	364,313,382	214,578,727
		<u>5,703,122,639</u>	<u>5,603,824,199</u>

5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	30-Sep-24	30-Jun-24
		Rupees
Net book value at the beginning of the period/year	5,389,245,472	3,105,592,064

TOWELLERS LTD

Additions / Surplus on revaluation during the period/year

Leasehold land	-	959,291,982
Building on leasehold land	-	728,356,247
Plant and machinery	9,957,170	669,717,816
Furniture and fixture	-	2,491,130
Office equipment	4,991,489	19,852,095
Solar plant	708,685	36,132,200
Vehicles	4,474,000	56,858,428
	20,131,344	2,472,799,898
Net book value of assets disposed during the period/year	(289,997)	(1,166,827)
Depreciation for the period/year	(70,277,562)	(187,979,662)
Net book value at the end of the period/year	5,338,809,257	5,389,245,472

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-24	30-Jun-24
	Rupees	
Land & Building	256,113,480	112,999,080
Plant and machinery	108,199,902	101,579,647
	364,313,382	214,578,727

6 TRADE DEBTS

	(Un-audited)	(Audited)
Note	30-Sep-24	30-Jun-24
	Rupees	
Secured - considered good		
Foreign debts	2,248,485,717	2,222,769,411
Unsecured - considered good		
Domestic debts	9,797,343	7,626,151
	9,797,343	7,626,151
	2,258,283,060	2,230,395,562
Allowance for TCL	(25,202,139)	(25,202,139)
	2,233,080,921	2,205,193,423

7 CONTINGENCIES AND COMMITMENTS

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

	(Un-audited)	(Audited)
	30-Sep-24	30-Jun-24
	Rupees	

7.1 Contingencies

Bank guarantees issued in the ordinary course of business

	22,997,600	22,997,600
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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.F.O & Directors	17,104,492

9 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **29th October 2024** 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 : 29th-October 2024

TOWELLERS LTD

ڈائریکٹرز رپورٹ بنام حصص یافتگان

بورڈ آف ڈائریکٹرز 30 ستمبر، 2024 کو ختم ہونے والی سہ ماہی کیلئے کمپنی کے غیر پڑ سال شدہ مالی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرنے میں مسرت محسوس کر رہے ہیں۔ کمپنی کی پہلی سہ ماہی کے دوران فروخت گزشتہ سال کی اسی مدت کے مقابلے میں 6.8 فیصد کم ہوئی ہے۔ پہلی سہ ماہی کے دوران فروخت گزشتہ سال کی اسی مدت کے مقابلے میں 3.9 ٹین روپے کے مقابلے میں 3.6 ٹین روپے رہی۔ بہت زیادہ انکم ٹیکس، پرنٹس اور موثر شدہ ٹیکس کے علاوہ مشکل عالمی مسابقتی ماحول اور کاروبار کی بڑھتی ہوئی لاگت کی بدولت مدت کے دوران کمپنی کا منافع بھی کم ہوا۔ اس سہ ماہی سے کمپنی اب نازل ٹیکس نظام کے تحت آ رہی ہے جس کے نتیجے میں پہلے کے تخمینہ کی بنیاد پر ٹیکس کے مقابلے میں زیادہ ٹیکس چارج کی صورت سامنے آئی ہے۔ کمپنی کا مدت کے دوران بعد از ٹیکس منافع 177,801 ٹین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں یہ منافع 504 ٹین روپے تھا۔

کمپنی کی مالی کارکردگی کے خدو خال درج ذیل ہیں۔

30 ستمبر، 2024 کو ختم ہونے والی پہلی سہ ماہی کے مالیاتی خدو خال

روپے ہزاروں میں		
2023	2024	
3,899,691	3,634,444	فروخت
700,218	471,024	مجموعی منافع
485,877	281,618	آپریٹنگ سے حاصل شدہ منافع
76,013	103,817	ٹیکسیشن
503,993	177,801	بعد از ٹیکس منافع

کمپنی نے گزشتہ کئی سالوں کے دوران کافی سرمایہ لگایا ہے جس کے نتیجے میں موجودہ سال اور آنے والے سالوں کے دوران بہت زیادہ آمدن کی توقع ہے۔ تاہم منافع میں بہتری بدستور ایک چیلنج رہ سکتی ہے۔ حکومت کو چاہئے کہ وہ بالعموم صنعتوں اور پیشہ ورانہ کیلئے ٹیکسوں اور کاروبار کرنے کی لاگت میں کمی کیلئے پورے ملک میں ٹیکسوں کا مساوی نظام نافذ اور معقول زرعی اقدامات اٹھائے۔ ملک میں کاروبار کے سازگار ماحول کے فروغ کیلئے سیاسی عدم استحکام بھی ختم ہونا چاہئے۔

اظہار تشکر

کمپنی کے ڈائریکٹرز حصص یافتگان اور ملازمین کی طرف سے مسلسل اعتماد اور معاونت پر ان کے شکر گزار ہیں۔

ثناء بلال

ڈائریکٹر

مہرین عیدآغا

چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 29 اکتوبر 2024

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