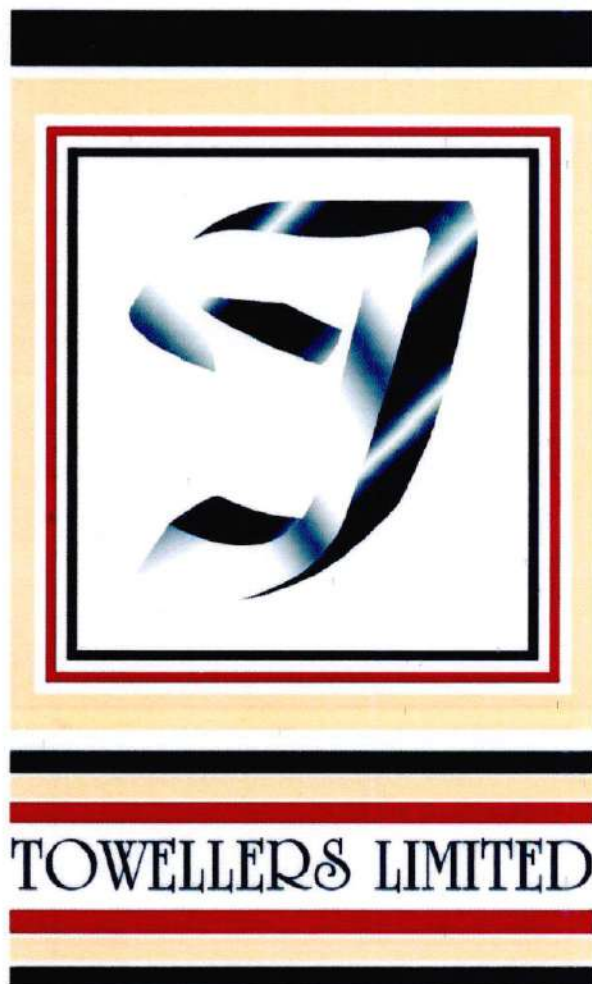


# TOWELLERS LIMITED

ANNUAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2021



## **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.*

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# TOWELLERS LIMITED

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## 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 LIMITED**

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### **Notice of Annual General Meeting.**

Notice is hereby given that the Forty Eight Annual General Meeting of the Company will be held at Towellers House WSA, 30-31, Block-1 Federal B Area Karachi on Wednesday October 27<sup>th</sup> 2021 at 3:30 p.m to transact the following business. Please note that the meeting can also be attended through Video Conference/ link.

#### **ORDINARY BUSINESS:**

1. To confirm the minutes of the Annual General Meeting held on Tuesday 27<sup>th</sup> October, 2020.
2. To receive consider and adopt the Audited Financial Statements of the Company for the year ended June 30<sup>th</sup> 2021 together with Auditor's and Director's Reports.
3. To elect eight Directors of the Company as fixed by the Board for a term of three years commencing from the date of election i.e. October 27<sup>th</sup> 2021 in accordance with section 159 of the Companies Act, 2017. The following Directors are retiring and are eligible for re-election.  
1. Mehreen Obaid Agha 2. Mahjabeen Obaid 3. Sana Bilal 4. Hadeel Obaid  
5. Zeeshan K. Sattar 6. Abdul Jalil Shariff 7. Vally Tariq Rangoonwala 8. Muhammad Sarfraz
4. To appoint Auditors for the ensuing year and fix their remuneration.

#### **OTHER BUSINESS:**

5. Any other business with the permission of the Chair.

A Statement pertaining to the material facts is being sent to the shareholders along with this notice.

Karachi: October 1<sup>st</sup> 2021.

NOTES:

M. Farhan Adil  
Company Secretary

## **TOWELLERS LIMITED**

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1. The share transfer Books of the Company will remain closed from October 20<sup>th</sup> 2021 to October 27<sup>th</sup> 2021 (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 on him / her behalf. The Instrument appointing Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. In light of the threat by the prevailing coronavirus (COVID-19) situation the Securities & Exchange Commission of Pakistan vide Circular No 4 of 2021 dated February 15, 2021 and subsequent Circular No 6 of 2021 dated March 03, 2021, the Company has decided to hold Annual General Meeting (AGM) through electronic means in order to protect the well- being of the shareholders.
4. Shareholders interested in attending the AGM through Video Conference/Link, are requested to get themselves registered with the Company Secretary office by providing the following detail at the earliest but not later than 24 hours before the time of AGM with subject Registration for Towellers Limited AGM. In case any member who want to attend the AGM personally are advise to follow SOPs for COVID -19 prescribed by the Government.  
A) Mobile/WhatsApp: 03008205172 and E-mail : [farhan@towelllers.com](mailto:farhan@towelllers.com). Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, Cell number and email ID for identification. The Company will send the login credentials at their e-mail address on the date of meeting Shareholders can also provide their comments/suggestions for the proposed agenda item of the AGM on above email or Whatsapp No.
5. CDC Account Holders will also 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. Any person who seeks to contest the election of Director shall file with the Company not later than 14 days before the date of meeting at which elections are to be held, a notice of his/her intention to offer himself/herself for election as Director in terms of section 159(3) of the Companies Act 2017, along with (a) Duly filed and signed consent on Form 28 (b) Profile, along with attested copy of valid CNIC/Passport(c) Declaration that (i) he/she is not ineligible to become director of a company under Companies Act 2017(ii) he/she is not serving as director on more than seven listed companies including this Company (iii) he/she is aware of duties and powers of directors under Companies Act, 2017 other laws/regulations and Memorandum & Articles of Association of the Company(d) persons contesting as Independent Director shall also submit a declaration that he/she qualifies the criteria of independence as laid down in section 166 of the Companies Act, 2017.
7. Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purpose of election of directors, where in case number of contestants are more than the number of directors to be elected, members will be allowed to exercise their right to vote through postal ballot, that is voting by post in accordance with the requirements and procedures contained in the aforesaid Regulations.

### **STATEMENT OF MATERIAL FACTS UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017**

1. The Board of Directors in its meeting held on 21<sup>st</sup> September 2021, has fixed the number of directors to elected as eight (8) for the period of the next three years.

For Independent Directors, consent papers will be accepted from only those persons who fulfil the criteria of independence as laid down in section 166 of the Companies act, 2017.

## **TOWELLERS LIMITED**

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### **CHAIRPERSON'S REVIEW REPORT**

It gives me immense pleasure 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 accomplishing its aims and objectives.

The Board exercised its duties in professional manner with integrity and diligence, while focusing on 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 Board constantly reviews the strategic direction of the Company and ensures effectiveness in its business operations. 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.

Alhamdulillah, the year 2021 proved to be a much blessed year in comparison with the previous year despite the multiple waves of COVID – 19. Not only that the Country was able to better manage the pandemic situation within itself, but the momentum of growth also started to build up in the economy and business of the Country. Overall, the exports and business of the Country increased and is continuing to perform better even during the first quarter of the year 2021-22

The year also fared very well for your Company. Not only that we achieved our growth targets which were set for the year 2020 but have surpassed them by quite a margin. The company secured the growth by 38% which is well ahead of 10% growth for each of the previous two years. Directors, management and all staff teams strived hard to achieve such growth and performance for which they deserve all the credit. Most importantly, the growth has been complemented by the better profitability and margins for which I would also like to congratulate the whole team.

I am confident and hopeful that we will continue to grow during the current year as the performance during the first two months are showing promising prospects for the year 2022 as well. My dedicated team is putting utmost efforts to continue and sustain such a growth during the current year as well and with the help of Allah Almighty we shall achieve our targets, Inshallah.

In the end, I would like to thank all our Board Members for their commitment and contribution.

Karachi: October 1<sup>st</sup>, 2021

**Mahjabeen Obaid**  
Chairperson

## TOWELLERS LIMITED

### DIRECTORS REPORT TO THE MEMBERS

On behalf of the Board of Directors, We feel great pleasure to place before you the Audited Financial Statements of your Company for the year ended June 30th, 2021. 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 2020-21 came out to be a much better year for the economy of Pakistan as compared to the previous year, even though the COVID – 19 pandemic is far from getting over and it continued affecting lives of the people of the country and of the whole world. As per initial estimates, expected GDP growth of Pakistan for the year 2021 was to remain at around 1.5%. However, later on, provisional estimates issued by the GOP suggested the GDP growth rate to be at 3.9%. Finally, the GDP growth rate for the year 2021 is expected to be within 4% to 5% indicating much improved performance.

Total exports of the Country for the year 2021 remained at US\$. 25.3 Billion which was 18% higher than the previous year, whereas during the months of July & August, 2021 it was reported at US\$ 2.35 Billion and US\$ 2.26 Billion, respectively.

Textile exports during the year 2020-21 were US\$ 15.40 Billion showing a growth of 22.94% compared to the last year. Whereas, the Government has set the textile export target of US\$ 20 Billion for the year 2021-22.

### COMPANY'S PERFORMANCE

The Company has achieved a turnover of Rs. 5.221 Billion as compared to Rs. 3.772 Billion last year posting a growth of 38%.

Net profit after tax of Rs. 556.46 Million was recorded (2020: Rs. 275.89 Million) whereas the earning per share remained at 32.73 per share (2020: 16.23 per share).

This remarkable growth and profitability would not be possible without the untiring efforts of our directors, management team and dedication of our workers. The better management of COVID pandemic by the Government of Pakistan also contributed in getting increased orders from international buyers. Besides, business opportunities were expected upon the revival of retail markets of USA and Europe after easing of lockdowns & restrictions due to the pandemic. 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-2021	30-JUN-2020
Sales (Net)	5,220,747	3,772,254
Gross Profit	1,111,536	700,870
Distribution Cost	198,402	157,920
Administrative Expenses	285,427	237,658



## TOWELLERS LIMITED

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Other Operating Expenses	33,444	18,296
Other Income	25,389	34,308
Finance Cost	5,444	6,388
Profit Before Taxation	614,208	314,915
Profit After Taxation	556,456	275,894
Earning Per Share	32.73	16.23

### PERFORMANCE OF THE COMPLETED PROJECTS

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

#### i) Solar Power Project

The Company had invested in solar power project at one of our factories which remained operational during the current year. Savings in electricity costs through solar power generation during the current financial year were Rs. 8.4 M . The Company is hopeful that the project cost would be paid back within 3 years.

#### ii) Knitting Department

Knitting machines that were purchased are producing better quality of fabric with improved efficiency and have displaced some of the additional cost being paid to vendors. Your Company is cognizant of the need to invest further in the latest plant and machinery to reap the fruits of better quality and efficiency.

#### iii) ERP Implementation

First phase of ERP implementation had completed, and the Company is smoothly operating with revised SOPs that were suggested by the ERP. We are looking forward to expand its application to other areas of business.

#### iv) Dyeing Machine

The Company has purchased new Dyeing machine which was installed and commissioned during the subsequent period to the balance sheet date. We are hopeful, that its usage will improve the quality of our products with more operational efficiency.

### 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, 2021 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

Remarkable growth of business resulted in the increased requirement of working capital. The Company had to invest not only in inventory but have purchased machineries, equipment and have hired additional labor to manage the increased production. As the Company's focus is on continuous growth, its need to invest further in capital expenditure still persist. Hence, the Company is not in a position to announce any dividend at this point in time and would seek support and cooperation of shareholders in this regard.

### ELECTION OF DIRECTORS

The terms of the Board of Directors ended on October 27, 2021 and fresh election of directors is due to be held on the same date during Annual General Meeting.

### EARNINGS PER SHARE

The basic and Diluted earnings per share After tax is Rs.32.73 (2020-Rs. 16.23)

### 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, 2022.

### 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.

October 01, 2021

  
Director

  
Chief Executive Officer

## **TOWELLERS LIMITED**

### **COMPOSITION OF THE BOARD OF DIRECTORS.**

The present Board of Directors comprises a well-balanced mix of executive, non-executive and independent Director, It has seven Directors the positions of Chairperson and Chief Executive Officer are held by separate individuals.

The total No. of directors are seven as per the following.

- A. Male 3.
- B. Female 4.

Ms. Mahjabeen Obaid hold the position of Chairperson of the Board while Ms. Mehreen Obaid Agha is Chief Executive Officer of the Company.

Board has explicitly defined and documented role and responsibilities of Chairperson and CEO. The Chairperson represent the non-executive director and lead the board to ensure that it place an effective role in fulfilling its responsibilities, beside assessing and making recommendations on the efficiency of the committees and individual direction in fulfilling their responsibilities and avoidance of conflict of interest.

The CEO of the company and her role entails being ultimately responsible for all day to day operations and conduct of the business in accordance with the law. The CEO acts as a direct liaison between the board and management of the Company and communicates to the board on behalf of management in accordance with the law.

### **Board Meeting and Attendance of each Director.**

During the period under review, four meetings of the Board of Directors were held and following were in attendance.

<b>Director</b>	<b>Status</b>	<b>Attended</b>	<b>Leave of Absence Grand</b>
Mehreen Obaid Agha	C.E.O Executive	4	
Mahjabeen Obaid	Chairperson Non Executive	4	
Sana Bilal	Non Executive Director	4	
Hadeel Obaid	Non Executive Director	3	1
Zeeshan K. Sattar	Non Executive Director	3	1
Abdul Jalil Shariff	Non Executive Director	4	
Vally Tariq Rangoonwala	Independent Director	2	2

Leave of absence was granted to the directors who could not attend the Board meeting due to busy schedule and other appointments.

All Board members possess necessary qualifications and experience and are fully conversant with their duties required under the Code of Corporate Governance 2019.

### **COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors of the Company oversees the operations and affairs of the Company in an efficient and effective manner, for the sake of smooth functioning, the Board has constituted two committees. These committees are entrusted with the task of ensuring speedy management decisions.

### BOARD AUDIT COMMITTEE

The audit committee consists of three members all of whom are non-executive directors including the chairman of the committee who is an independent director. The term of reference of this committee have been determine in accordance with the listed companies (code of corporate governance) regulation 2019 The audit committee annually review the financial aspects and appropriates of resources, the corporate accounting and financial reporting process, the effectiveness and adequacy of internal controls, the management of risks and the external and internal audit process of control at each level.

The Committee meets at least once in a quarter or as often as it considers necessary, to review and discuss all matters specified in the Code of Corporate Governance Regulation 2019.

Director	Status	Attended
Vally Tariq Rangoonwala	Chairman	3
Hadeel Obaid	Member	4
Abdul Jalil Shariff	Member	4

Term of reference of the Audit Committee has also been determined by the Board in accordance with the guidelines provided in the regulations.

Under the code of corporate governance directors are pleased to state as follows:

- The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the company, appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of Financial Statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the company's ability to continue as a going concerned.
- The highlights of operating and financial data for the last six years are annexed.
- Information about taxes and levies is given in the notes and forming part of financial statement

### Board Human Resource and Remuneration Committee.

The company has established this committee in accordance with the requirement of the code of corporate governance regulation 2019 all issues concerning remuneration, recommendation, evaluation and compensation of the senior management are deliberated and decided by this committee. The HR committee also reviews and recommends HR policies and direct report to CEO. It also considers and approve recommendation of the related matters to key management position who report directly to the CEO. The committee comprises of three members consisting non-executives directors including one Independent director. This committee meets at-least once in a year.

Director	Status	Attended
Vally Tariq Rangoonwala	Chairman	1
Abdul Jalil Shariff	Member	1
Zeeshan K Sattar	Member	1

### **Independent Auditors' Report To The Members of Towellers Limited**

#### ***Report on the Audit of the Financial Statements***

##### ***Qualified Opinion***

We have audited the annexed financial statements of Towellers Limited, which comprise the statement of financial position as at June 30, 2021, 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, except for the effect of the matter described in the paragraph (a), 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 (XIX 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, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

##### ***Basis for Qualified 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 Auditor's 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 and after due verification we report that:

- a) As fully explained in note 19.1.2, the company has not accounted for the amount of Rs. 36,689,591 payable in respect of gas infrastructure development cess (GIDC) in the financial statements. Had the above amount been recorded in the accounts, the profit would have been decreased by Rs.36,689,591 and consequently the liability would have been increased by the same amount.

## 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.1,401.7 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>

## TOWELLERS LIMITED

<p>2</p>	<p><b>Defined Benefit Obligations (Gratuity)</b></p> <p>Refer to note no. 17 to the audited financial statements.</p> <p>The Company operates an unfunded gratuity plan, giving rise to net liability of Rs.174.794 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>
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## **TOWELLERS LIMITED**

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### ***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.



## **TOWELLERS LIMITED**

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- 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.

### **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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Karachi, October 01<sup>st</sup>, 2021

**MUSHTAQ & CO.**  
Chartered Accountants

## TOWELLERS LIMITED

### STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30<sup>th</sup> 2021

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

Male	3
Female	4

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Director	Valy Tariq Rangoonwala
Non-Executive Directors	Mahjabeen Obaid Zeeshan K. Sattar Abdul Jalil Shariff 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 particulars 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. Out of the seven, four Directors have obtained certificate of Director's Training Program as per the listed Companies (Code of Corporate Governance) Regulations 2019, The reaming Directors 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

- Valy Tariq Rangoonwala	Chairman
- Hadeel Obaid	Member
- Abdul Jalil Shariff	Member

## TOWELLERS LIMITED

### HR and Remuneration Committee

- Valy Tariq Rangoonwala Chairman
- Zeeshan K. Sattar Member
- Abdul Jalil Shariff 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, 2021
HR and Remuneration Committee	One meeting was held during the financial year ended June 30, 2021

15 The Board has set up an effective internal audit function, the chief internal auditor is suitable qualified and experienced person.

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> At least 75% of the Directors have Obtained DTP certification.	Currently, 4 out of 7 directors have obtained DTP certification. The Company will arrange training for the remaining directors to comply with the requirement.	(19)
2.	<b>Representation of Minority Shareholder:</b> The Minority Members as a class Shall be facilitated by the Board to Contest election of Director by proxy Solicitation	No are intended to contest election as director representing minority shareholders	(5)
3.	<b>Responsibilities of the Board and its Members:</b> Adoption of the corporate governance Practices	Non-mandatory provisions of the CCG Regulations are partially Complied. The Company intend to fully comply all the provisions gradually.	10(1)

**Mehreen Obaid Agha**  
Chief Executive Officer

Dated: October 1<sup>st</sup> 2021

## TOWELLERS LIMITED

**SIX YEARS AT GLANCE**  
**FROM 2016 TO 2021**  
**RUPEES IN THOUSANDS**

PARTICULARS	2021	2020	2019	2018	2017	2016
Turn over-Net	5,220,747	3,772,254	3,848,285	2,605,809	2,686,140	2,700,457
Cost of sales	4,109,212	3,071,384	2,985,218	2,217,211	2,319,246	2,241,467
Gross profit / (loss)	1,111,536	700,870	863,067	388,598	366,895	458,990
Profit/(loss) from operation	619,652	321,304	457,560	284,807	94,121	175,702
Finance cost	5,444	6,388	6,482	5,201	6,398	6,957
Profit/(loss) before taxation	614,208	314,915	451,077	279,606	87,723	168,744
Profit / (loss) after taxation	556,456	275,894	402,684	253,606	61,695	144,833
Dividend	-	-	-	-	-	-

### FINANCIAL DATA

Fixed assets-w.d.v	1,810,526	1,663,761	1,231,256	1,264,375	989,150	1,024,075
Long term loans	19,501	16,861	12,851	10,643	12,041	12,880
Long term deposits	29,349	16,875	19,755	19,755	6,530	7,430
Current assets	2,437,648	1,852,202	1,475,871	1,048,309	955,356	878,201
<b>Total</b>	<b>4,297,024</b>	<b>3,549,699</b>	<b>2,739,733</b>	<b>2,343,082</b>	<b>1,963,078</b>	<b>1,922,585</b>

### EQUITY & LIABILITIES

Equity	3,277,720	2,714,251	2,053,845	1,631,240	491,128	360,538
Non current liabilities	174,794	163,376	97,902	111,449	204,153	253,680
Current liabilities	844,511	672,072	587,986	600,393	670,531	685,186
<b>Total</b>	<b>4,297,024</b>	<b>3,549,699</b>	<b>2,739,733</b>	<b>2,343,082</b>	<b>1,365,812</b>	<b>1,299,404</b>

### KEY RATIOS%

Gross margine%	21.29	18.58	22.43	14.91	13.66	17.00
Net profit (loss)%	10.66	7.31	10.46	9.73	2.30	5.36
Quick acid ratio%	0.91	1.32	1.20	0.62	0.59	0.45
EBIT margine%	11.87	8.52	11.89	10.93	3.50	6.51
Current ratio%	2.89	2.76	2.51	1.75	1.42	1.28
Earning/(loss) per share Rs	32.73	16.23	23.69	14.92	3.63	8.52
Cash dividend Rs.	-	-	-	-	-	-
Debt equity ratio%	0.31	0.31	0.33	0.44	1.78	2.60

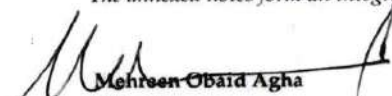
# TOWELLERS LIMITED

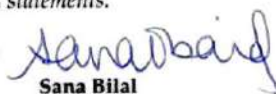
## STATEMENT OF FINANCIAL POSITION

As at June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	1,810,525,586	1,663,760,818
Long term loans and advances	5	19,501,496	16,860,935
Long term deposits	6	29,349,160	16,875,320
		1,859,376,242	1,697,497,073
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	7	50,934,963	27,003,224
Stock in trade	8	1,101,733,164	567,968,278
Trade debts	9	452,800,676	510,349,437
Loans and advances	10	52,890,095	13,177,902
Trade deposits and short term prepayments	11	16,738,365	27,880,342
Other receivables	12	187,025,341	86,258,889
Income tax and sales tax refundable	13	275,128,248	269,267,981
Cash and bank balances	14	300,397,215	350,295,502
		2,437,648,067	1,852,201,554
		<b>4,297,024,309</b>	<b>3,549,698,627</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
25,000,000 (June 30, 2020: 25,000,000) ordinary shares of Rs. 10 each		250,000,000	250,000,000
Issued, subscribed and paid up capital	15	170,000,000	170,000,000
Reserves		1,928,578,690	1,317,201,714
Surplus on revaluation of property, plant & equipment	16	1,179,141,159	1,227,048,962
		3,277,719,849	2,714,250,676
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Staff retirement benefits	17	174,793,710	163,375,631
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	844,510,750	672,072,320
		844,510,750	672,072,320
<b>CONTINGENCIES AND COMMITMENTS</b>			
	19	-	-
		<b>4,297,024,309</b>	<b>3,549,698,627</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, October 01<sup>st</sup>, 2021

## TOWELLERS LIMITED

### STATEMENT OF PROFIT OR LOSS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Sales - net	20	5,220,747,170	3,772,254,058
Cost of sales	21	(4,109,211,539)	(3,071,383,593)
<b>Gross profit</b>		<b>1,111,535,631</b>	<b>700,870,465</b>
Distribution cost	22	(198,401,982)	(157,920,278)
Administrative expenses	23	(285,426,637)	(237,657,958)
Other operating expenses	24	(33,443,585)	(18,296,140)
Other income	25	25,388,878	34,307,662
		(491,883,326)	(379,566,714)
<b>Profit from operations</b>		<b>619,652,305</b>	<b>321,303,752</b>
Finance cost	26	(5,444,177)	(6,388,281)
<b>Profit before taxation</b>		<b>614,208,128</b>	<b>314,915,471</b>
Provision for taxation	27	(57,751,775)	(39,021,125)
<b>Profit for the year</b>		<b>556,456,353</b>	<b>275,894,346</b>
<b>Earnings per share - basic and diluted</b>	28	<b>32.73</b>	<b>16.23</b>

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

  
Mehreen Obaid Agha  
Chief Executive

Karachi, October 01<sup>st</sup>, 2021

  
Sana Bilal  
Director

  
Adnan Moosaji  
Chief Financial Officer

## TOWELLERS LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>Profit for the year</b>		556,456,353	275,894,346
<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	17.1	7,012,820	(44,530,044)
Surplus on revaluation of land, building & plant and machinery		-	429,041,341
<b>Total comprehensive income for the year</b>		<b>563,469,173</b>	<b>660,405,643</b>

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

### STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2021

Particulars	Issued, subscribed and paid up capital	Reserves			Revaluation Surplus	Total
		Capital Reserve Share premium	Revenue Reserve Unappropriated profit	Sub Total		
<b>Rupees</b>						
<b>Balance as at June 30, 2019</b>	170,000,000	63,000,000	971,003,529	1,034,003,529	849,841,504	2,053,845,033
Profit for the year	-	-	275,894,346	275,894,346	-	275,894,346
Other comprehensive income for the year	-	-	(44,530,044)	(44,530,044)	429,041,341	384,511,297
Transferred from surplus on revaluation of property, plant & equipment	-	-	51,833,883	51,833,883	(51,833,883)	-
<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

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

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
Adnan Moosaji  
Chief Financial Officer

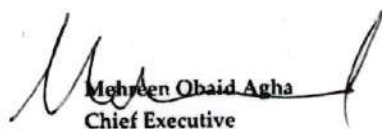
Karachi, October 01<sup>st</sup>, 2021


# TOWELLERS LIMITED

## CASH FLOWS STATEMENT For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		614,208,128	314,915,471
<b>Adjustments for:</b>			
Depreciation		93,947,222	91,070,544
Amortization		375,299	-
Staff retirement benefits - gratuity		42,772,685	36,292,339
Finance cost		5,444,177	6,388,281
Workers' profit participation fund		32,326,744	16,574,499
Bad debt recovered		-	(224,929)
(Gain) / loss on disposal of property, plant and equipment		(1,774,298)	209,264
		173,091,829	150,309,998
Profit before working capital changes		787,299,957	465,225,469
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(23,931,739)	(6,281,276)
Stock in trade		(533,764,886)	(81,016,263)
Trade debts		57,548,762	(107,653,128)
Loans and advances		(39,712,193)	3,095,825
Trade deposits and short term prepayme		11,141,977	(11,375,693)
Other receivables		(100,766,452)	56,400,041
		(629,484,531)	(146,830,494)
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		156,686,185	90,979,785
Cash generated from operations		314,501,611	409,374,760
Finance cost paid		(5,444,177)	(6,388,281)
Taxes (paid) / received		(63,612,044)	(205,274,166)
Workers' profit participation fund paid		(16,574,499)	(23,467,914)
Long term loan to employees		(2,640,561)	(4,009,718)
Long term deposits		(12,473,840)	2,880,000
Staff retirement benefits - gratuity paid		(24,341,786)	(15,348,767)
<b>Net cash generated from operating activities</b>		189,414,704	157,765,915
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		10,931,000	522,500
Fixed capital expenditure		(250,243,991)	(95,266,229)
<b>Net cash used in investing activities</b>		(239,312,991)	(94,743,729)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings		-	-
<b>Net cash used in financing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		(49,898,287)	63,022,186
<b>Cash and cash equivalents at the beginning of the year</b>		350,295,502	287,273,316
<b>Cash and cash equivalents at the end of the year</b>	14	300,397,215	350,295,502

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, October 01<sup>st</sup>, 2021



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a Private Limited Company on 31st May 1973 and subsequently converted into Public Limited Company on 22nd June 1994 under the Companies Act, 1913 (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, 2021
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:

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended June 30, 2021**

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

**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 (I)/ 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.

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2021

### 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.

### 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.

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended June 30, 2021****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.

**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**

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account.

**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.

**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.

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

### 4 PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	Rupees	Rupees
Operating fixed assets	1,641,920,854	1,657,507,833
Capital work in progress - at cost	165,227,045	6,252,985
Intangible Assets	3,577,687	-
	<u>1,810,325,586</u>	<u>1,663,760,818</u>

#### 4.1 Operating fixed assets

	Building on leasehold land	Plant & machinery	Electric installation	Gas installation	Furniture & fiture	Office equipment	Bicycles	Vehicles	Waste water treatment plant	Solar plant	Total
796,901,769	565,091,175	376,675,292	11,822,861	205,364	19,665,430	119,496,104	22,375	67,098,287	19,614,977	34,339,907	2,010,951,261
-	(128,277,946)	(81,178,280)	(11,166,517)	(116,460)	(12,84,546)	(66,716,831)	(20,148)	(48,018,771)	(43,894,192)	(1,414,607)	(353,443,426)
796,901,769	436,813,229	295,497,012	666,344	88,904	6,80,884	52,779,273	2,227	19,079,516	15,720,785	32,925,300	1,657,507,833
796,901,769	436,813,229	295,497,012	666,344	88,904	6,80,884	52,779,273	2,227	19,079,516	15,720,785	32,925,300	1,657,507,833
-	-	31,819,872	-	-	2,180,555	13,311,936	-	24,902,676	-	-	72,214,641
-	-	15,202,105	-	-	-	-	-	-	-	-	15,302,105
-	-	-	-	-	-	-	-	-	-	-	-
-	-	(40,926,933)	-	-	-	-	-	(2,752,880)	-	-	(43,679,813)
-	-	31,960,483	-	-	-	-	-	2,347,518	-	-	34,308,001
-	(43,683,123)	(31,731,027)	(65,634)	(8,889)	(41,041)	(5,920,949)	(223)	(6,828,254)	(1,525,550)	(3,292,530)	(93,947,222)
796,901,769	393,148,106	304,921,312	590,710	80,014	8,300,398	60,170,110	2,004	36,963,707	14,199,954	29,632,770	1,641,920,854

Annual depreciation rate % / Useful life

10%

10%

10%

10%

10%

10%

10%

10%

10%

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2020

2020

	Leasehold land	Building on leasehold land	Plant & machinery	Electric installation	Gas installation	Furniture & fixture	Office equipment	Bicycles	Vehicles	Waste Water Treatment Plant	Solar plant	Total
At July 01, 2019	518,737,499	412,755,431	285,677,237	11,822,861	295,364	19,132,225	108,648,805	22,375	64,030,967	19,614,697	-	1,471,617,481
Cost	-	(81,163,382)	(52,907,144)	(11,093,590)	(106,562)	(11,917,435)	(61,292,262)	(19,901)	(43,609,225)	(2,106,580)	-	(284,218,120)
Accumulated depreciation restated	-	-	-	-	-	-	-	-	-	-	-	-
Net book value	518,737,499	361,592,048	233,770,093	729,271	98,792	7,084,770	47,356,543	2,474	20,421,762	17,508,117	-	1,207,399,361
Year ended June 30, 2020												
Opening net book value	518,737,499	361,592,048	233,770,093	729,271	98,792	7,084,770	47,356,543	2,474	20,421,762	17,508,117	-	1,207,399,361
Additions during the year	-	5,835,675	17,682,065	-	-	565,205	9,539,351	-	3,115,300	-	-	36,575,596
Additions (Transferred from CWIP)	-	8,659,574	31,826,414	-	-	-	1,467,945	-	-	-	34,339,907	76,293,843
Revaluation	278,164,270	107,558,495	43,018,576	-	-	-	-	-	-	-	-	429,041,341
Disposals / transfers	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	(2,529,000)	-	-	-	-	-	(48,000)	-	-	(2,577,000)
Accumulated depreciation	-	-	1,823,903	-	-	-	-	-	21,333	-	-	1,845,236
Depreciation charge for the year	-	(47,114,364)	(30,095,019)	(72,927)	(9,878)	(757,092)	(5,424,720)	(247)	(4,430,879)	(1,750,612)	(1,411,607)	(91,070,540)
Closing net book value June 2020	796,901,769	436,031,229	295,497,032	656,344	88,914	6,990,884	52,778,123	2,227	19,079,516	15,755,505	32,925,300	1,657,507,833
Annual depreciation rate % / Useful life	10%	10%	10%	10%	10%	10%	10%	10%	20%	10%	10%	10%

Lease hold land are located at Karachi with an area of 15,752.88 (2019: 15,752.88) square yards.

Note Rupees Rupees

Cost of sales	21.1	80,356,755	79,042,999
Administrative expenses	23	13,590,467	9,589,208
		<u>93,947,222</u>	<u>88,632,207</u>

# TOWELLERS LIMITED

## NOTES TO AND FORMING PART OF THE THE FINANCIAL STATEMENTS For the year ended June 30, 2021

### 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>							
Bleaching Machine	Feroz1888	15,000,000	11,880,654	3,119,346	7,000,000	3,880,654	Negotiation
Socks Knitting Machine	Babar	25,926,953	20,079,829	5,847,124	2,500,000	(3,347,124)	Negotiation
		40,926,953	31,960,483	8,966,470	9,500,000	533,530	
<b>Motor Vehicle</b>							
Chevrolet AFE-466	Khurram	611,000	596,869	14,131	185,000	170,869	Negotiation
Unique Bike KKLJ-9997	Tariq Ali Jaboi	48,000	25,805	22,195	24,000	1,805	Negotiation
Unique Bike KCC-700	Gul Karim	29,850	29,829	21	20,000	9,829	Negotiation
Super Power Bike KDC-9234	Izhar Mirza	36,000	34,037	1,963	11,000	9,037	Negotiation
Dhoom Bike KGX-2509	Asif	82,000	41,958	40,042	12,000	1,958	Negotiation
Union Star Bike KJL-2069	Ramzani	45,000	28,680	16,320	12,000	(1,320)	Negotiation
Unique Bike KKN-3316	Raees	47,000	26,546	20,454	15,000	(5,454)	Negotiation
Unique Bike KFF-2208	Yasir Ali	40,500	36,034	4,466	9,000	4,534	Negotiation
Suzuki Cultus AJJ-839	EFU Insurance	600,000	577,311	22,689	450,000	427,511	Insurance Claim
Toyota Corolla	EFU Insurance	1,085,000	1,035,272	49,728	650,000	600,272	Insurance Claim
Unique Bike KGU-3311	EFU Insurance	47,500	39,026	8,474	25,000	16,526	Insurance Claim
Yamaha Dhoom KFD-9331	Muhammad Kashif	47,500	42,467	5,033	8,000	2,967	Negotiation
Unique Bike KIQ-0149	Saleem Ullah Khan	48,500	33,584	14,916	10,000	(4,916)	Negotiation
		2,737,850	2,547,618	190,232	1,431,000	1,240,768	
		43,664,803	34,508,101	9,156,702	10,931,000	1,774,298	
2021		2,577,000	1,945,236	731,764	522,500	(209,264)	

### 4.3 Gain/(Loss) on disposal of property, plant and equipment

Cost	43,664,803	1,650,700
Less: Accumulated depreciation	(34,508,101)	(1,526,092)
	9,156,702	124,608
Sale proceeds	(10,931,000)	(778,000)
Gain on disposal of property, plant and equipment	(1,774,298)	(653,392)

### 4.4 Had there been no revaluation the related figures of land, building and plant and machinery at June 30, 2021 would have been as follows:

	Cost as on June 30, 2021	Accumulated depreciation	Book value June 30, 2021	Cost as on June 30, 2020	Accumulated depreciation	Book value June 30, 2020
Leasehold land- restated	19,327,159	-	19,327,159	19,327,159	-	19,327,159
Building on leasehold land	440,480,179	412,766,092	27,714,087	440,480,179	369,082,969	71,397,210
Plant and machinery	1,175,917,659	731,827,264	444,090,395	1,144,097,987	700,096,237	444,001,750
	1,635,724,997	1,144,593,356	491,131,641	1,603,905,325	1,069,179,206	534,726,119

### 4.5 Capital work in progress - at cost

Building - civil works	37,503,407	2,500,000
Plant and machinery	127,723,638	-
Software	-	3,752,985
	165,227,045	6,252,985

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

Balance at the beginning of the year	6,252,985	23,856,195
<b>Additions during the year:</b>		
Building - civil works	35,003,407	2,843,665
Plant and machinery	143,025,743	17,754,076
Equipment	-	-
Software	-	3,752,985
Solar plant	-	34,339,907
	178,029,150	58,690,633
<b>Transfer to operating fixed assets:</b>		
Building - civil works	-	8,659,574
Plant and machinery	15,302,105	31,826,414
Equipment	-	1,467,948
Software	3,752,985	-
Solar plant	-	34,339,907
	19,055,090	76,293,843
Balance at the end of the year	165,227,045	6,252,985

### 4.6 Intangible Assets

Transferred from CWP-Software	3,752,985
Less: Amortization	(375,299)
	3,377,687

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>5 LONG TERM LOANS AND ADVANCES</b>			
<b>Loan to employees - secured</b>			
Executives	5.1	18,779,106	18,191,321
Other employees		6,220,547	3,514,484
		24,999,653	21,705,805
<b>Current portion of loans shown under current assets</b>			
Executives	10	(2,749,950)	(3,115,350)
Other employees	10	(2,748,207)	(1,729,520)
		(5,498,157)	(4,844,870)
		<u>19,501,496</u>	<u>16,860,935</u>
<b>5.1 Movement in loans to executives</b>			
Balance at the beginning of the Year		18,191,321	16,829,215
Amount disbursed during the year		3,728,674	5,841,754
		21,919,995	22,670,969
Amount recovered during the Year		(3,140,889)	(4,479,648)
Balance at the end of the Year		<u>18,779,106</u>	<u>18,191,321</u>
5.1.1	These are interest free loans recoverable in monthly installments over a period of one year. These loans are secured against employees' retirement benefit obligation- gratuity.		
5.1.2	Maximum amount due from executives during the year, calculated by reference to month-end balances, was Rs.19,099,143 (June 30, 2020: Rs.18,191,321).		
<b>6 LONG TERM DEPOSITS</b>			
Security deposits		<u>29,349,160</u>	<u>16,875,320</u>
<b>7 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores		50,304,465	24,211,936
Spare parts and loose tools		630,498	2,791,288
		<u>50,934,963</u>	<u>27,003,224</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	427,722,818	189,000,361
Work in process		448,502,819	225,408,784
Finished goods	8.2	225,507,527	153,559,133
		<u>1,101,733,164</u>	<u>567,968,278</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 items of stock in trade is pledged as security as at reporting date.		



# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>9 TRADE DEBTS</b>			
<b>Secured against letter of credit</b>			
Foreign debts	9.1	319,138,225	388,579,254
<b>Unsecured- considered good</b>			
Foreign debts		124,653,946	117,576,334
Domestic debts		9,070,437	4,193,849
Allowance for ECL	9.2	(61,932)	-
		452,800,676	510,349,437
<b>9.1 Foreign debts are secured against letter of credit.</b>			
<b>9.2 Particulars of allowance for ECL on doubtful debts</b>			
Balance at beginning of the year		-	-
Allowance no longer required / recovered		61,932	-
Charge during the year		(61,932)	-
Balance at the end of the year		-	-
<b>10 LOANS AND ADVANCES</b>			
<b>Loan to employees-Secured against gratuity</b>			
Executive - secured	5	2,749,950	3,115,350
Others - secured	5	2,748,207	1,729,520
		5,498,157	4,844,870
<b>Advances:</b>			
to suppliers		31,353,691	6,282,486
to services		16,038,247	2,050,546
		47,391,938	8,333,032
		52,890,095	13,177,902
<b>11 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Security deposits		60,000	13,237,072
Prepayments		17,644,479	15,609,384
Less: Impairment loss		(966,114)	(966,114)
		16,738,365	27,880,342
<b>12 OTHER RECEIVABLES</b>			
<b>Considered good</b>			
Export rebate		18,082,909	13,610,023
Drawback local taxes levies		168,942,432	39,187,984
Sales tax demand	12.1	-	33,460,882
		187,025,341	86,258,889

**12.1** The company had filed appeal before the Commissioner Inland Revenue (Appeal) Karachi bearing No. dated 08 November 2013 against the order in original No.10 of 2013 dated 26 August 2013 for the recovery of Rs. 24,686,265 which was rejected by Commissioner Inland Revenue (Appeal-I) Karachi on dated 13 October 2014. The company filed appeal bearing No. 194/KB/2014 U/s 45 (b) before the appellate Tribunal Inland Revenue Karachi Pakistan. Before the decision of Appeal No.194/KB/2014 office of the Assistant Commissioner Inland Revenue, E&C Unit/04 Zone IV RTO Karachi issued recovery notice No.293 dated 27 May 2015 for the recovery of Rs. 24,686,265 with the penalty & default surcharge for Rs. 8,774,617 and attached the bank accounts and recovered the Rs. 33,460,882. The pending appeal No.194/KB/2014 was allowed in the favor of the company by setting aside adverse order dated 26 August 2013 and dated 13 October 2014. During the year, the Company recovered back the amount of Rs. 33,460,882 which was collected by the Assistant Commissioner Inland Revenue during the year 2015 in line with the favorable decision of appeal with Appellate Tribunal Inland Revenue Karachi against such demand.

## TOWELLERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>13 INCOME TAX AND SALES TAX REFUNDABLE</b>			
Income Tax refundable			
Balance at the beginning of the year		29,095,335	22,078,214
Advance income tax		7,459,636	7,346,552
Provision for taxation adjusted against advance tax		(5,047,392)	(329,431)
Balance at the end of the year		31,507,579	29,095,335
Sales tax refundable		243,620,669	240,172,647
		275,128,248	269,267,981
<b>14 CASH AND BANK BALANCES</b>			
Cash in hand		540,646	273,656
Cash at banks:			
In current accounts		151,120,813	13,068,628
In saving accounts	14.1	148,735,756	336,953,218
		299,856,569	350,021,845
		300,397,215	350,295,502
<b>14.1</b> It carries mark up at the rate of 3.25% to 6.35% (June 30, 2020 : 6.5% to 12.25%) per annum.			
<b>15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
		2021	2020
		Number of shares	Rupees
		2021	2020
		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		
17,000,000	17,000,000	170,000,000	170,000,000
<b>15.1</b> 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.			
<b>16 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
Balance at the beginning of the Year		1,227,048,962	849,841,504
Surplus on revaluation of land, building & plant and machinery		-	429,041,341
		1,227,048,962	1,278,882,845
Transfer to unappropriated profit in equity on account of incremental depreciation charged in profit and loss account		(47,907,803)	(51,833,883)
Balance at the end of the Year		1,179,141,159	1,227,048,962

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
16.1			
<p>Revaluation of property plant and equipment was carried out on December 14, 1994 by M/s. Iqbal A. Nanjee &amp; 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 &amp; 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 &amp; 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 &amp; company, an independent valuer which resulted a surplus of Rs. 429,041,341/.</p>			
17			
<b>STAFF RETIREMENT BENEFITS</b>			
		2021 Rupees	2020 Rupees
Staff retirement benefits-Gratuity	17.1	174,793,710	163,375,631
		<u>174,793,710</u>	<u>163,375,631</u>
17.1			
<b>Movement in the net liability recognized in the balance sheet</b>			
Opening net liability		163,375,631	97,902,015
Expense for the year	17.2	42,772,685	36,292,339
Remeasurement (Gain)/ loss recognized in other comprehensive income		(7,012,820)	44,530,044
		<u>199,135,496</u>	<u>178,724,398</u>
Benefits paid during the year		(24,341,786)	(15,348,767)
Closing net liability		<u>174,793,710</u>	<u>163,375,631</u>
17.2			
<b>Expense recognized in the profit and loss account</b>			
Current service cost		29,121,305	25,490,259
Interest cost		13,651,380	10,802,080
		<u>42,772,685</u>	<u>36,292,339</u>
17.3			
<b>Expense recognized in other comprehensive income</b>			
Net actuarial (gain) / loss recognized in the balance sheet		(7,012,820)	44,530,044
		<u>(7,012,820)</u>	<u>44,530,044</u>
17.4			
<b>Movement in the present value of defined benefit obligation</b>			
Present value of defined benefit obligation		163,375,631	97,902,015
Past service cost		-	-
Current service cost		29,121,305	25,490,259
Interest cost		13,651,380	10,802,080
Actuarial (gain)/ loss		(7,012,820)	44,530,044
Benefits paid		(24,341,786)	(15,348,767)

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees			
<b>17.5</b>	<b>Gratuity expenses have been allocated as follows</b>					
	Cost of goods manufactured	29,724,656	20,735,272			
	Administrative expenses	13,048,029	15,557,067			
		<u>42,772,685</u>	<u>36,292,339</u>			
<b>17.6</b>	<b>Historical information</b>					
		2021	2020	2019	2018	2017
	Present value of defined benefit obligation	<u>174,793,710</u>	<u>163,375,631</u>	<u>97,902,015</u>	<u>103,605,364</u>	<u>96,309,338</u>
<b>17.7</b>	<b>Reconciliation</b>					
	Present value of defined benefit obligation				174,793,710	163,375,631
					<u>174,793,710</u>	<u>163,375,631</u>
<b>17.8</b>	<b>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>17.9</b>	<b>Principal actuarial assumption</b>					
	Following are a few important actuarial assumption used in the valuation.				%	%
	Discount rate				10.00%	8.50%
	Expected rate of increase in salary				10.00%	10.00%
<b>17.10</b>	<b>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.					
					<b>Increase in assumption</b>	<b>Decrease in assumption</b>
	Discount rate				(4,932,328)	5,493,111
	Expected rate of increase in future salaries				9,605,074	(5,661,863)
<b>17.11</b>	Expected gratuity expense for the year ending June 30, 2022 works out to Rs.45,485,973/-.					
<b>17.12</b>	The weighted average duration of defined benefit obligation is 7 years.					
<b>18</b>	<b>TRADE AND OTHER PAYABLES</b>					
	Trade Creditors				722,725,797	609,990,586
	Accrued liabilities				48,747,639	22,955,071
	Advances from customers	<b>18.1</b>			40,697,498	22,532,109
	Workers' profit participation fund	<b>18.2</b>			32,326,744	16,574,499
	Sindh sales tax withholding				4,968	12,578
	Further Tax				8,104	7,477
					<u>844,510,750</u>	<u>672,072,320</u>
<b>18.1</b>	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. 22,532,109 has been recognised in current year in respect of advance from customers at the beginning of the period.					

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>18.2 Workers' profit participation fund</b>			
Balance at the beginning of the Year		16,574,499	23,467,914
Interest on fund utilized in company's business		531,765	1,710,721
		17,106,264	25,178,635
Paid during the year		(17,106,264)	(25,178,635)
		-	-
Allocation for the year		32,326,744	16,574,499
Balance at the end of the Year		32,326,744	16,574,499
<b>19 CONTINGENCIES AND COMMITMENTS</b>			
<b>19.1 Contingencies</b>			
<b>19.1.1</b> 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 Honorable 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 undistributed profit has been recorded in this financial statement ending June 30, 2021.			
<b>19.1.2</b> The Government levied Gas Infrastructure Development Cess (GIDC) amounting to Rs.36.689 million. Levy was challenged by the company in the High Court of Sindh. The Hon'able Court passed the judgment in favor of the Company and declares GIDC as illegal. Government approached the Supreme Court of Pakistan and again Supreme Court of Pakistan passed the order in our favor. Government filed appeal against the order of single bench to Appellate Jurisdiction where Honorable Supreme Court of Pakistan issued Judgment on August 13 2020 declaring the levy as valid. Subsequent to the decision of the Supreme Court Appellate Jurisdiction industry as a whole filed a review petition in the Supreme Court of Pakistan which is pending and in the meantime industry also filed suit in Sindh High Court and Honorable High Court granted stay against the recovery of the same.			
<b>19.1.3 Guarantees</b>			
Bank guarantees issued in the ordinary course of business.		14,350,018	9,405,000
<b>19.2 Commitments</b>			
There were no commitments as on year end (2020: Nil).		-	-
<b>20 SALES - NET</b>			
Export	20.1	5,078,450,303	3,745,289,809
Local		53,327,424	7,548,925
Waste		4,164,193	4,785,788
		5,135,941,920	3,757,624,522
Rebate		192,924,016	109,013,440
Commission on exports		(37,001,480)	(43,237,864)
Discount on exports		(71,117,286)	(51,146,040)
		5,220,747,170	3,772,254,058
<b>20.1</b> Exchange gain due to currency rate fluctuations relating to export sales amounting to Rs..13 million (June 30, 2020: Rs. 22.14 million) has been included in export sales.			
<b>21 COST OF SALES</b>			
Cost of goods manufactured	21.1	4,011,596,273	2,776,061,683

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>Finished goods</b>			
Opening stock		153,559,133	150,013,082
Purchases		169,563,660	298,867,961
Closing stock		(225,507,527)	(153,559,133)
<b>Cost of sales</b>		<b>4,109,211,539</b>	<b>3,071,383,593</b>
<b>21.1 Cost of goods manufactured</b>			
Raw material consumed	21.1.1	2,419,716,370	1,479,949,419
Purchase (semi finished goods)		200,202,698	294,907,784
Stores and spares consumed	21.1.2	5,121,483	14,597,552
Other manufacturing expenses	21.1.3	905,404,217	486,863,635
Salaries, wages and other benefits	21.1.4	420,112,333	327,823,700
Communication expenses		1,517,608	601,485
Conveyance		369,730	225,814
Utilities		101,551,378	91,279,373
Insurance		18,568,518	20,542,021
Repairs and maintenance		24,790,226	26,019,412
Oil and lubricants		39,630	139,572
Printing and stationery		2,926,729	2,193,529
Subscription, fees and taxes		21,548,884	7,460,090
Entertainment expenses		6,825,891	5,045,628
Vehicle running and maintenance		9,960,737	8,374,651
Depreciation	4.1	80,356,755	80,457,606
Other expenses		15,677,121	8,006,390
		<b>4,234,690,308</b>	<b>2,854,487,661</b>
<b>Work in process</b>			
Opening stock		225,408,784	146,982,806
Closing stock		(448,502,819)	(225,408,784)
		(223,094,035)	(78,425,978)
	Note	Rupees	Rupees
<b>21.1.1 Raw material consumed</b>			
Opening stock		189,000,361	189,956,127
Purchases - net		2,635,523,655	1,464,791,193
Cartage-in		22,915,172	14,202,460
		<b>2,847,439,188</b>	<b>1,668,949,780</b>
Closing stock		(427,722,818)	(189,000,361)
		<b>2,419,716,370</b>	<b>1,479,949,419</b>
<b>21.1.2 Stores and spares consumed</b>			
Opening stock		27,003,224	20,721,948
Purchases - net		29,053,222	20,878,828
		<b>56,056,446</b>	<b>41,600,776</b>
Closing stock		(50,934,963)	(27,003,224)
		<b>5,121,483</b>	<b>14,597,552</b>

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2021

	2021	2020
<b>21.1.3 Other manufacturing expenses</b>		
Fabric dyeing and processing charges	595,306,402	309,599,403
Stitching charges	310,097,815	177,264,232
	905,404,217	486,863,635
<b>21.1.4</b> Salaries, wages and other benefits include Rs.29,724,656/- (June 30, 2020: Rs. 20,735,272/-) in respect of staff retirement benefits (gratuity).		
<b>22 DISTRIBUTION COST</b>		
Export development surcharge	12,987,513	8,992,003
Export freight	143,363,165	88,320,131
Clearing and forwarding	30,840,947	23,454,739
Marine insurance	3,877,655	2,886,687
Fair & exhibition	91,750	12,784,687
Buyer Entertainment	-	1,947,075
Travelling	7,240,952	19,534,956
	198,401,982	157,920,278
<b>23 ADMINISTRATIVE EXPENSES</b>		
Directors' remuneration	33,624,452	30,384,584
Staff salaries and other benefits	23.1 154,081,021	126,255,905
Conveyance	254,704	162,466
Vehicle running and maintenance	6,764,179	5,519,240
Subscription, fees and taxes	20,403,459	23,374,960
Utilities	4,973,818	4,899,779
Printing and stationery	1,415,014	1,070,256
Legal and professional charges	299,820	914,130
Repairs and maintenance	15,402,385	5,494,738
Communication expenses	11,471,274	11,754,820
Entertainment	7,291,391	5,678,519
Office expenses	4,931,088	3,603,743
Insurance	7,563,252	7,353,755
Advertisement	2,923,082	578,125
Allowance for Ecl	61,932	-
Depreciation	4.1 13,590,467	10,612,938
Amortization	375,299	-
	285,426,637	237,657,958
<b>23.1</b> Staff salaries and other benefits includes Rs.13,048,029 /- (June 30, 2020: Rs.15,557,067/-) in respect of staff retirement benefits (gratuity).		
<b>24 OTHER OPERATING EXPENSES</b>		
Workers' profit participation fund	18.2 32,326,744	16,574,499
Auditors' remuneration	24.1 1,116,841	1,041,841
Donation	24.2 -	679,800
	33,443,585	18,296,140

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>24.1 Auditors' remuneration</b>			
Annual audit fee		825,000	750,000
Half yearly review fee		128,841	128,841
Code of corporate governance review		55,000	55,000
Tax services		108,000	35,000
Other services		-	73,000
		1,116,841	1,041,841
<b>24.2</b> None of the directors or their spouses had any interest in donee fund.			
<b>25 OTHER INCOME</b>			
<b>From financial assets</b>			
Profit on savings account		23,614,580	34,291,998
Bad debt recovered		-	224,929
<b>From other than financial assets</b>			
Gain / (loss) on sale of property, plant and equipment	4.3	1,774,298	(209,264)
		25,388,878	34,307,662
<b>26 FINANCE COST</b>			
Interest on WPPF	18.2	531,765	1,710,721
Bank charges		4,912,412	4,677,560
		5,444,177	6,388,281
<b>27 TAXATION</b>			
<b>Provision / reversal for taxation</b>			
Current year		56,475,193	36,652,712
Prior Year Adjustment		(122,703)	-
Sindh sales tax	27.3	1,399,285	2,368,413
		57,751,775	39,021,125
<b>27.1</b> 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.			
<b>27.2</b> 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.			
<b>27.3</b> Sindh sales tax is non refundable tax.			
<b>28 Earnings per share</b>			
<b>Basic earnings per share</b>			
Profit for the year	Rupees	556,456,353	275,894,346
Weighted average number of ordinary shares outstanding during the year	Numbers	17,000,000	17,000,000
Profit per share - basic	Rupees	32.73	16.23
<b>Diluted earnings per share</b>			
There were no convertible dilutive potential ordinary shares in issue as at June 30, 2021 and June 30, 2020.			



# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>29 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES</b>			
		2021	2020
		CEO	Directors
		Executives	CEO
		Directors	Executives
		Rupees	Rupees
Managerial remuneration		5,881,136	27,743,316
Bonus		-	-
Utilities		-	1,256,142
Medical expenses		-	1,877,345
Fuel & maintenance		-	3,590,548
Others		1,614	19,149
		5,882,750	34,486,500
		47,791,002	3,982,584
		857,074	-
		742,102	-
		2,973,475	-
		-	215,340
		-	515,259
		5,538,435	30,780,115
		56,346,237	47,215,610
Number of persons		1	5
		13	13

- 29.1 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.

### 30 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	2021	2020
Salaries and other benefits	Key management personnel	40,369,250	36,318,550

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

### 31 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- 31.1 Credit risk
- 31.2 Liquidity risk
- 31.3 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.

#### 31.1 Credit risk

##### 31.1.1 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:

		2021 Rupees	2020 Rupees
Long term loans and advances	5	19,501,496	16,860,935
Long term deposits	6	29,349,160	16,875,320
Trade debts	9	452,800,676	510,349,437

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Loans and advances	10	52,890,095	13,177,902
Trade deposits and short term prepayments	11	16,738,365	27,880,342
Other receivables	12	187,025,341	86,258,889
Cash and bank balances	14	300,397,215	350,295,502
		<u>1,058,702,348</u>	<u>1,021,698,326</u>

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

		2021 Rupees	2020 Rupees
Domestic	9	9,070,437	4,193,849
Export	9	319,138,225	388,579,254
		<u>328,208,662</u>	<u>392,773,103</u>

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

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

	Gross debtors	
	2021	2020
	Rupees	
Not past due	409,469,469	449,735,778
Past due 0 - 30 days	23,824,814	60,350,517
Past due 31 - 90 days	9,122,491	263,142
Past due 91 days - 1 year	10,438,033	-
More than one year	7,801	-
	<u>452,862,608</u>	<u>510,349,437</u>
Allowance for ECL	(61,932)	-
	<u>452,800,676</u>	<u>510,349,437</u>

31.1.4 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.

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

	2021					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
<b>Non - derivative Financial liabilities</b>						
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>
	2020					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
<b>Non - derivative Financial liabilities</b>						
Trade and other payables	665,178,905	665,178,905	665,178,905	-	-	-
	<u>665,178,905</u>	<u>665,178,905</u>	<u>665,178,905</u>	<u>-</u>	<u>-</u>	<u>-</u>

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
31.2.1	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.		

### 31.3 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.

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

	US Dollar	Euro	GBP	Rupees
Trade debts 2021	2,735,013	64,890	-	319,138,225
Trade debts 2020	2,953,392	48,899	-	388,579,254

The following significant exchange rates applied during the year.

	Average rates		Reporting date rates	
	2021	2020	2021	2020
US Dollar to Rupee	163.38	144.83	158.50	168.25

##### 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 opposites effect on the above currencies to the amount shown below, on the basis that all other variables remain constant.

US Dollar	(21,674,977)	(24,845,414)
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The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the company.

#### 31.3.2 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	1,905,866,018	1,455,616,441
------------------	---------------	---------------

##### Variable rate instruments

Financial assets	148,735,756	336,953,218
Financial liabilities	844,510,750	665,178,905

##### 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, 2021.

	Profit and loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Rupees			
Cash flow sensitivity - variable rate instruments 2021	8,445,107	(8,445,107)	-	-
Cash flow sensitivity - variable rate instruments 2020	6,720,723	6,720,723	-	-

#### 31.3.3 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.

# TOWELLERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>31.4 Fair value of financial assets and liabilities</b>			
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.			
<b>31.5 Off balance sheet items</b>			
Bank guarantees issued in ordinary course of business		14,350,018	9,405,000
<b>31.6</b>	The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial		
<b>32 CAPITAL RISK MANAGEMENT</b>			
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.			
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.			
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.			
Total equity	Rupees	3,277,719,849	2,714,250,676
Total capital employed	Rupees	3,277,719,849	2,714,250,676
Gearing ratio	Percentage	0.00	0.00

### 33 MEASUREMENT OF FAIR VALUES:

A number of the Company's accounting policies and disclosure 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.

### 35 NUMBER OF EMPLOYEES

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

	2021	2020
Total number of employees as at June 30-Factory	1080	910
Total number of employees as at June 30-Head Office	115	104
<b>Total</b>	<b>1195</b>	<b>1014</b>
Average number of employees during the year-Factory	995	907
Average number of employees during the year-Head Office	110	107
<b>Total</b>	<b>1105</b>	<b>1014</b>

### 36 IMPACT OF COVID-19

During the year, the World Health Organization declared the Novel strain of Corona virus (Covid-19) a global pandemic and recommended containment and mitigation measures worldwide. The Federal and Provincial governments of Pakistan also took various measures, including imposition of lockdown, from the end of March 2020 to contain the spread of Covid-19. This caused an overall economic slowdown and varying degree of disruption to various businesses including textile sector, resulting in temporary decline in sale. Company's management has assessed the possible accounting implications arising from Covid-19 for these financial statements and concluded the following:

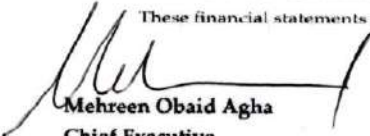
	2021 Rupees	2020 Rupees
<b>Following are the estimated impacts of Covid -19 pandemic:</b>		
Lost turnover	-	378,549,906
Lost profitability	-	112,443,123
<b>Total estimated sales &amp; profitability for the year, had Covid pandemic would not have occurred:</b>		
Total Sales	-	4,151,456,317
Profitability	-	353,807,872

### 37 CORRESPONDING FIGURES

Figures have been rounded off to the nearest Rupee.

### 38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the board of directors of the company 01 October, 2021.

  
Mehreen Obaid Agha  
Chief Executive

  
Sana Bilal  
Director

  
Adnan Moosaji  
Chief Financial Officer

Karachi, October 01<sup>st</sup>, 2021

## TOWELLERS LIMITED

### PATTERN OF HOLDING OF THE SHARES HELD BY SHAREHOLDERS AS ON JUNE 30, 2021

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

Number of SHAREHOLDERS	SHARE HOLDINGS		TOTAL SHARES HELD
	From	To	
493	1	3463	0.0204
111	101	50096	0.2947
50	501	48213	0.2836
94	1001	271462	1.5968
27	5001	220000	1.2941
9	10001	120600	0.7094
8	15001	140800	0.8282
2	20001	44000	0.2588
2	25001	60000	0.3529
1	30001	35000	0.2059
1	65001	65200	0.3835
1	100001	100651	0.5921
1	110001	113000	0.6647
1	125001	129759	0.7633
1	135001	136500	0.8029
1	265001	268500	1.5794
2	465001	937648	5.5156
1	525001	526000	3.0941
3	2455001	7379247	43.4075
1	2465001	2467043	14.5120
1	3880001	3882818	22.8401
811		17000000	100.0000

### CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2021

	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE OF HOLDING
1	GENERAL PUBLIC (LOCAL)	745	15699532	92.3501
2	GENERAL PUBLIC (FOREIGN)	32	108609	0.6389
3	ASSOCIATED COMPANIES	4	50800	0.2988
4	INSURANCE COMPANIES	2	655759	3.8574
5	PUBLIC SECTOR COMPANIES	9	119300	0.7018
6	MODARABAS AND MUTUAL FUNDS	3	254500	1.4971
7	OTHERS	16	111500	0.6559
	COMPANY TOTAL	811	17000000	100.0000

## TOWELLERS LIMITED

### CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2021

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
Mr. Abdul Jalil Shariff	1	5,000	0.03
Sheikh Obaid Humza	1	3,983,469	23.43
<b>ASSOCIATED COMPANIES</b>			
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
<b>INSURANCE COMPANY</b>			
National Insurance Company Ltd	1	526,000	3.09
Pakistan Reinsurance Company Ltd	1	129,759	0.76
<b>PUBLIC SECTOR COMPANIES</b>			
Y.S. Securities & Services Pvt Ltd	1	1,000	0.0059
Time Securities (Pvt) Ltd	1	500	0.0029
NCC	1	3,500	0.0206
ABA Ali Habib Securities (Pvt) Limited	1	10,000	0.0588
Tumbi (Private) Limited	1	10,000	0.0588
Market 786 (Private) Limited	1	65,200	0.3835
Axis Global Limited - MF	1	1,000	0.0059
MRA Securities Limited - MF	1	13,100	0.0771
Khadim Ali Shah Bukhari Securities (Pvt)Ltd	1	15,000	0.0882
<b>GENERAL PUBLIC</b>			
LOCAL	741	1,650,825	9.7107
FOREIGN	32	108,609	0.6389
OTHERS	16	111,500	0.6559
<b>Total</b>	<b>811</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 Matters Disclosures

#### **CORPORATE GOVERNANCE**

#### **CORPORATE SOCIAL RESPONSIBILITIES**

The company fully understands its responsibility to contribute towards the well being of the society and citizens in general. Hence, it demonstrates its commitment by investing back in various social contributions. These include the health, education, recreational activities, water supply, food supplies, sports, environmental activities, etc. The company regularly contributes to various institutions who are engaged in providing free educational and health facilities for the less privileged citizens of our country. Contributions are being made to an institution that is building hospitals and schools for public in general and for women's education in particular and is also providing vocational training to help people find their own livelihood and employment opportunities. The Company also runs a sponsored school for under privileged children for supporting the cause of education for less fortunate.

During the outbreak of COVID – 19 Pandemic, the Company distributed ration bags to deserving fellow countrymen to help them during the lockdowns enforced to curtail the pandemic. The Company participated in planting new trees around the factory premises.

#### **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 premise that all injuries are preventable if due care is taken. We follow up and investigate on all incidents and injuries to address their root causes and take appropriate measures and remedial actions so that such incidents do not recur. Due to the blessings of Allah Almighty and the importance being given to the safe environment, no major accident took place at our factories. During the year, the Company has further enhanced the already existing fire hydrant system in our factories to make it compliant with international standards and to strengthen the ability to counter the hazards of fire at our premises.

The installation of Solar Power Project had taken place last year and was made functional. The said investment is reaping fruits now and is contributing to generate clean and green energy, which is also bringing cost savings and reduced carbon emissions.

During the year the Company acquired new dyeing machines which were installed and commissioned within the subsequent period to the balance sheet date. They consume much lesser water as compared to the older models and emit much lesser contaminated water. Acquisition of these new machines have greatly contributed in the saving the environment, besides bringing about the significant efficiencies.

#### **HUMAN RESOURCE**

Our employees are our greatest assets and the key strength of our business. Towellers firmly believes in nurturing, investing in and promoting its employees. The management of the company is committed to excellence and has a clear vision that trained human resources and delegating 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 of the employees.

The Company had hired and trained number of college and university graduates as internees, which had helped them in uplifting their careers through technical knowledge, skill development and financial support via employment. Few of them are now valuable resource of the current operational team.

### **ENVIRONMENT PROTECTION – WASTEWATER TREATMENT PLANT**

Environmental pollution is a major challenge our country is facing, and it is very important that appropriate measures be taken to protect our atmosphere, seas and land from getting more polluted. The toxic and hazardous chemicals which are emitted into our drains are a major threat to our underground water table, streams and our seas. The company is fully cognizant of this fact and therefore have invested in the wastewater treatment plant. The plant that we have installed at our factory is designed and operated to meet and exceed environmental standard, securing the health of our employees and local atmosphere by neutralizing the toxic chemicals and wastes before they are excreted into our drains.

### **WHISTLEBLOWING POLICY**

The Company is committed to create an atmosphere ensuring accountability, integrity and transparency. 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. Application of ERP within the Organization has brought about more efficiency, controlling, monitoring and transparency which will continue to strengthen and support the whistleblowing function.

### **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 closed 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 performed by them and their spouse other than during the close period. Management remains vigilant and ensures that none of the financial information is divulged to any person until the annual financial statements are published and made public.

### **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. With the advent of ERP, safety of information and records will further strengthen as the Company has established a proper IT department having qualified IT professionals who are assigned to ensure the preservation of information and records through regular backups, trouble shooting and disaster recoveries.

### **INFORMATION TECHNOLOGY**

The implementation of phase I of ERP was completed during the year and is now completely operational throughout the organization. Now the accounts and reports are being prepared through the said ERP which has enabled the management to control and monitor resources and performance in a much improved and efficient manner. Management information and reporting will now further improve which will provide the management to assess the performance and financial & operational position in a much better way.



# TOWELLERS LIMITED

## 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 20<sup>th</sup> 2021 to October 27<sup>th</sup> 2021 ( 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 19<sup>th</sup> 2021 will be considered in time for the purpose of attending the AGM.

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

- i) In view of the Coronavirus situation, the Securities and Exchange Commission of Pakistan (SECP) has, vide Circular No. 4 dated February 15, 2021 directed listed companies to provide facility for attending general meetings through electronic means as a regular feature,
- ii) Considering the fact the Company has made arrangement to provide video-link facility to members who wish to participate in the AGM through electronic means.
- iii) To attend the AGM through video-link, Members are requested to register their following particulars by sending an email at [farhan@towellers.com](mailto:farhan@towellers.com) with subject 'Video-Link Registration.

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

- iv) The Video link and login credentials will be shared with the Members whose emails, containing all the required particulars as mentioned, are received at the given email address before the close of business hours i.e. 05:00 p.m. on October 19<sup>th</sup> 2021.
- v) In case any members who want to attend the AGM personally are advised to follow SOPs for COVID-19 as prescribed by the Government.
- vi) 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 vote **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

## **TOWELLERS LIMITED**

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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 regarding venue of conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

#### **5. Change in Members Addresses:**

Members are requested to notify any changes in their addresses immediately to the Share Registrar M/s. THK Associates Pvt Ltd. Plot No. 32-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, 2021 has been placed on the Company's website at the below link:  
<http://www.towellersltd.com>

#### **8. Circulation of Annual Financial Statements for the year ended June 30, 2021 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, 2020, are being circulated to the members through CD.

## TOWELLERS LIMITED

### 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 ids 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 July 08, 2021.

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 July 08, 2021; 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.

## TOWELLERS LIMITED

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- 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 on July 16, 2021.
- 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 19<sup>th</sup> 2021

### 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 or shares outstanding in their name.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

### 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 Pakistan Limited by opening CDC sub-account with any broker or investor accounts directly with CDC.

## 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

## TOWELLERS LIMITED

### اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس پبلس کیا جاتا ہے کہ ٹاورز لمیٹڈ کا اڑتالیسواں (48) سالانہ اجلاس عام، 27 اکتوبر 2021ء، بروز بدھ، سہ پہر 3:30 بجے، بمقام ڈبلیو ایس اے، 31-30 بلاک-1، فیڈرل بی ایس یا کراچی، مندرجہ ذیل اسٹیٹ کی انجام دہی کے لیے منعقد ہوگا۔ واضح رہے کہ اس اجلاس میں ڈبلیو کا نوٹس الف کے ذریعے بھی شرکت کی جاسکتی ہے:

#### عمومی کارروائی:

- 1- 27 اکتوبر، 2020ء، بروز منگل، منعقد ہونے والے سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- تیسرے سال 30 جون 2021ء کے لیے کمپنی کے آڈیٹرز اور ڈائریکٹرز کی رپورٹس کے ہمراہ کمپنی کے آڈٹ شدہ مالیاتی کوٹھاروں کی وصولی، ان پر نوٹس و خوش کرنا اور منظوری دینا۔
- 3- تین سال کی مدت کیلئے کمپنی کے ڈائریکٹرز کا انتخاب بذریعہ الیکشن منعقدہ 27 اکتوبر 2021ء کمپنیز آرڈیننس بھریہ 2017ء کی سیکشن (1) 159 کے تحت بورڈ آف ڈائریکٹرز کے مقرر کردہ کمپنی کے منتخب شدہ ڈائریکٹرز کی تعداد 8 ہے۔ درج ذیل رہنما ہونے والے ڈائریکٹرز وہ بارہ منتخب ہونے کے اہل ہوں گے: (1) مہرین سید آغا (2) سہجین سید (3) شایان (4) عدیل سید (5) ذیشان کے۔ ستار (6) عیدانجیل شریف (7) ولی طارق رگھون والا (8) محمد سرفراز۔
- 4- آئندہ سال کے لیے آڈیٹرز کا اقرار اور ان کے سعادہ کے تعین کرنا۔

#### دیگر کارروائی:

- 5- تجزیہ بین اجلاس کی اجازت سے کسی بھی قسم کے دیگر عمومی معاملات کی انجام دہی۔
- اہم حقائق سے متعلق ایک ایجنڈے اس نوٹس کے ہمراہ شیئر ہولڈرز کو پیشگوئی جارہی ہے۔

محمد قرحان عادل  
کمپنی سیکریٹری

کراچی: 10 اکتوبر 2021ء

#### نوٹس:

- 1- کمپنی کی حصص منگلی کی کتابیں، 20 اکتوبر، 2021ء تا 27 اکتوبر، 2021ء بند رہیں گی (دونوں دن شامل ہیں)۔
  - 2- اجلاس میں شرکت کرنے، بولنے اور ووٹ کا حق رکھنے والا ادالی ہر ممبر اپنی جگہ کمپنی کے کسی دوسرے ممبر کو اپنی جانب سے اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے اپنا نام سنبھال مقرر کر سکتا/ کر سکتی ہے۔ نام سنبھالی نامہ اجلاس کے انعقاد کے وقت سے کم از کم اڑتالیس (48) گھنٹے پہلے کمپنی کے رجسٹرڈ آفس یا شیئر رجسٹرار آفس میں جمع کرا دیا جائے۔
  - 3- کرونا وائرس (COVID-19) کی موجودہ صورت حال کی طرف سے خطرے کے پیش نظر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے بذریعہ سرکولر نمبر 4، بتاریخ 15 فروری 2021ء، بعد میں سرکولر نمبر 6، بتاریخ 03 مارچ 2021ء کی ہدایات کی روشنی میں کمپنی نے شیئر ہولڈرز کی صحت و سلامتی کے تحفظ کے لیے الیکٹرانک ذرائع سے سالانہ اجلاس عام منعقد کرنے کا فیصلہ کیا ہے۔
  - 4- ایجنڈے شیئر ہولڈرز سے، جو ڈبلیو کا نوٹس الف کے ذریعے سالانہ اجلاس عام میں شرکت میں دل چسپی رکھتے ہوں، درخواست کی جاتی ہے کہ جلد از جلد لیکن سالانہ اجلاس عام کے وقت سے کم از کم 2 گھنٹے پہلے بینک میں AGM Registration for Towellers Limited کے درج کر کے اور کمپنی سیکرٹری کے آفس کو درج ذیل تفصیلات مہیا کر کے خود کو رجسٹرڈ کرائیں۔ اگر کوئی ممبر ذاتی طور پر سالانہ اجلاس عام میں شرکت کا خواہش مند ہو تو اسے حکومت کی طرف سے کوہ پیڑ-19 کے لیے مقرر کردہ SOPs کی پیروی کا مشورہ دیا جاتا ہے:
- (الف) موبائل نمبر: 03008205172 اور ای میل: farhan@towelllers.com
- شیئر ہولڈرز کو ہدایت کی جاتی ہے کہ اپنے نام CNIC نمبر، فوٹو، لیوا CDC اکاؤنٹ نمبر، موبائل نمبر اور ای میل آئی ڈی اپنی شناخت کے لیے درج کریں۔ کمپنی AGM کی تاریخ کو ان کے ای میل ایڈریس پر لاگ ان کے کوآئیڈ سے کی۔ شیئر ہولڈرز مندرجہ بالا ای میل یا واٹس ایپ نمبر پر سالانہ اجلاس عام کے بجوزہ ایجنڈے آئیڈ کے لیے اپنی آراء، حقائق یا فرماہم کر سکتے ہیں۔
- 5- سی ڈی سی اکاؤنٹ ہولڈرز کو ٹیکس ریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے 26 جنوری 2000ء کو جاری کیے گئے سرکلر 1 میں درج ہدایات پر بھی عمل کرنا ہوگا۔
  - 6- ڈائریکٹرز کا انتخاب لانے کا خواہش مند کوئی بھی شخص انتخاب کی تاریخ سے 14 دن پہلے کمپنیز ایکٹ 2017ء کی سیکشن 159 (3) کے حوالے سے اپنے انتخاب لانے کے ارادے کا نوٹس (الف) یا ضابطہ پے اور دستخط شدہ شدہ فارم 28 پر رضامندی (ب) تعارف مع CNIC / پاسپورٹ کی کارآمد تصدیق شدہ کاپی (ج) اعلامیہ (د) وہ کمپنی ایکٹ 2017ء کے تحت کمپنی کا ڈائریکٹرز کے لیے نا اہل نہیں ہے (ہ) وہ سات سے زائد لوگوں کو نمونوں اس کمپنی کے لیے بطور ڈائریکٹرز خدمات انجام نہیں دے رہا (و) وہ کمپنیز ایکٹ 2017ء اور دیگر قوانین/ قواعد و ضوابط اور رٹنل آف ایسوسی ایشن کے تحت ڈائریکٹرز کے فرائض اور اختیارات سے آگاہ ہے۔ (د) جو افراد خود مختار ڈائریکٹرز کے طور پر انتخاب لڑ رہے ہیں وہ یہ اعلامیہ بھی پیش کریں گے کہ وہ کمپنیز ایکٹ 2017ء کی سیکشن 166 میں طے کردہ خود مختاری کے معیار پر پورا اترتا ہے۔
  - 7- ڈائریکٹرز کے انتخاب کے مقصد کے لیے کمپنیز (پوشل بیٹ) ریگولیشنز 2018ء کے مطابق، جہاں مقابلہ کرنے والوں کی تعداد منتخب ہونے والے ڈائریکٹرز کی تعداد سے زیادہ ہو، آراکین کو پوشل کے ذریعے اپنے ووٹ کا حق استعمال کرنے کی اجازت ہوگی، جس کا مطلب مذکورہ بالا ضابطوں میں شامل نکاحوں اور طریقہ کار کے مطابق ڈاک کے ذریعے ووٹ ڈالنا ہے۔

#### کمپنی ایکٹ، 2017ء کی سیکشن 166 (3) کے تحت مادی حقائق کا بیان

بورڈ آف ڈائریکٹرز نے 21 ستمبر 2021ء کو ہونے والے اپنے اجلاس میں اگلے تین سالوں کے لیے منتخب ہونے والے ڈائریکٹرز کی تعداد آٹھ (8) مقرر کی ہے۔ خود مختار ڈائریکٹرز کے لیے، رضامندی کے کاغذات صرف ان افراد سے قبول کیے جائیں گے جو کمپنیز ایکٹ، 2017ء کے سیکشن 166 کے مطابق خود مختاری کے معیار کو پورا کرتے ہوں۔

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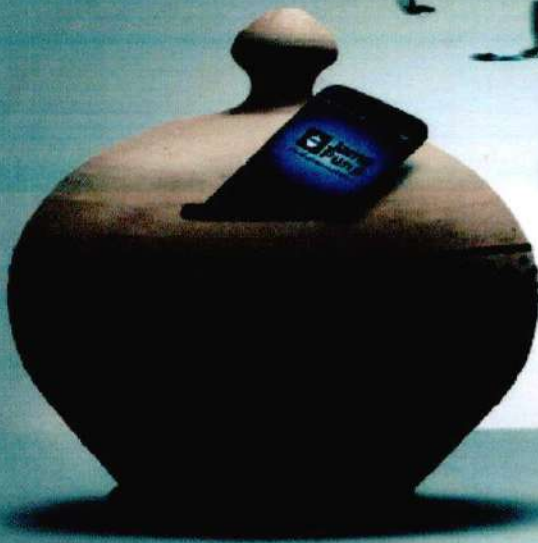


## TOWELLERS LIMITED

### INVESTORS' EDUCATION

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\*Mobile apps are also available for download for android and ios devices



## ڈائریکٹرز رپورٹ

معزز ممبران گرامی:

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2021 ختم ہونے والے سال کے لیے آپکی کمپنی کے آڈٹ شدہ مالیاتی ریکارڈز کے ساتھ پیش کر کے بہت خوشی محسوس کر رہے ہیں جو انڈر سیکشن 227 آف کمپنیز ایکٹ 2017 کے تحت ہے۔

### اقتصادی جائزہ:

مالی سال 2020-21 پچھلے سال کے مقابلے میں پاکستان کی معیشت کے لیے بہت بہتر سال ثابت ہوا، حالانکہ کوویڈ 19 وبائی مرض نے ساری دنیا اور ہمارے ملک کے لوگوں کی زندگی کو متاثر کیے رکھا۔ ابتدائی تخمینوں کے مطابق سال 2021 میں پاکستان کی متوقع جی ڈی پی کی شرح نمو تقریباً 1.5 فیصد رہی۔ تاہم بعد میں جی ڈی پی کی طرف سے جاری کردہ عارضی تخمینوں نے جی ڈی پی کی شرح نمو 3.9 فیصد رہنے کا اشارہ دیا جبکہ حتمی طور پر سال 2021 کی جی ڈی پی کی شرح 4 سے 5 فیصد کے اندر رہنے کی توقع ہے جو کہ بہتر کارکردگی کو ظاہر کرتی ہے۔

سال 2021 کے لیے ملک کی کل برآمدات امریکی ڈالر کے حساب سے 25.3 بلین رہی جو کہ پچھلے سال کے مقابلے میں 18 فیصد زائد ہے جبکہ جولائی اور اگست 2021 کے مہینوں میں یہ بالترتیب 2.35 بلین اور 2.26 بلین امریکی ڈالر بتائی گئی۔ سال 2020-21 کے دوران ٹیکسٹائل کی برآمدات 15.40 بلین امریکی ڈالر تھی جو گزشتہ سال کے مقابلے میں 22.94 فیصد اضافہ ظاہر کرتی ہے، جبکہ حکومت نے 2021-22 کے لیے 20 بلین امریکی ڈالر کا ٹیکسٹائل برآمدات کا ہدف مقرر کیا ہے۔

### کمپنی کی کارکردگی:

کمپنی نے 5.22 بلین روپے کا ٹرن اوور حاصل کیا ہے جبکہ کمپنی نے پچھلے سال کے 3.772 بلین کے ٹرن اوور کے مقابلے میں 5.22 بلین کا ٹرن اوور حاصل کیا ہے جو کہ 38 فیصد اضافہ ظاہر کرتا ہے۔ نیٹ پروفٹ آف ٹیکس 556.46 ملین روپے ریکارڈ کیا گیا۔ (2020: 275.89 ملین روپے) جبکہ فی حصص آمدنی 32.73 رہی (2020: 16.23)۔

یہ قابل ذکر ترقی اور منافع ہمارے ڈائریکٹرز، مینجمنٹ ٹیم کی محنت اور ہمارے کارکنوں کی لگن کے بغیر ممکن نہیں ہوتی۔ حکومت پاکستان کی طرف سے کوویڈ 19 وبائی مرض کے بہتر انتظام نے بھی تین الاقوامی خریداروں کے زیادہ برآمدی آرڈرز حاصل کرنے میں کردار ادا کیا۔ اس کے علاوہ وبائی امراض کی وجہ سے لاک ڈاؤن اور پابندیوں میں ترقی کے بعد امریکہ اور یورپ کی منڈیوں کی بحالی پر کاروباری مواقع متوقع تھے۔ کمپنی اپنی ٹیم اور شیئر ہولڈرز کی مدد سے بہتر ترقی، کارکردگی اور منافع کے حصول کو جاری رکھنے کے لیے پرعزم ہے۔

نی ایل ایل کا مالیاتی خلاصہ مندرجہ ذیل ہے: (روپے ہزاروں میں)

30 جون 2020	30 جون 2021	
3,772,254	5,220,747	۱- فروہنگلی (نیٹ)
700,870	1,111,536	۲- مجموعی منافع
157,920	198,402	۳- لاگت برائے تقسیم مال
237,658	285,427	۴- لاگت برائے انتظامی امور
18,296	33,444	۵- دیگر آپریٹنگ اخراجات
34,308	25,389	۶- دیگر آمدنی
6,388	5,444	۷- فنانس لاگت
314,915	614,208	۸- ٹیکس سے پہلے کا منافع
275,894	556,456	۹- ٹیکس کے بعد کا منافع
16.23	32.73	۱۰- فی حصص آمدنی

### کامل شدہ پراجیکٹس کی کارکردگی:

درج ذیل پراجیکٹس کے نتائج ہیں جو پچھلے سال کے دوران کیے گئے تھے۔

(۱) سولر پاور پراجیکٹ:

کمپنی نے گزشتہ سال کے دوران اپنی ایک فیکٹری میں سولر پاور پراجیکٹ میں سرمایہ کاری کی تھی جو رواں سال کے دوران آپریشنل رہی جو موجودہ مالی سال کے دوران شمسی توانائی سے بجلی کے اخراجات میں 8.4 ملین کی بچت ہوئی۔ کمپنی پر امید ہے کہ اس منصوبے کی لاگت تین سال کے اندر حاصل کر لی جائے گی۔

## TOWELLERS LIMITED

- (۲) ٹنگ ڈیپٹمنٹ:
- ٹنگ مشینیں جو خریدی گئی تھیں ان سے کم لاگت میں بہتر اور معیاری کپڑا حاصل ہو رہا ہے۔ جس کی وجہ سے باہر سے ٹنگ کرائے کی مقدار میں کمی واقع ہوئی ہے۔ آپکی کمپنی جدید ترین پلانٹ اور مشینری میں سرمایہ کاری کی ضرورت سے آگاہ ہے تاکہ بہتر معیار اور کارکردگی کے حصول ممکن ہو سکے۔
- (۳) ای آر پی کانٹرا:
- ای آر پی کے نفاذ کا پہلا مرحلہ مکمل ہو چکا ہے اور کمپنی ای آر پی کی طرف سے تجویز کردہ ایس او بیز کے تحت سے کام کر رہی ہے، ہم اس کے اطلاق کو کاروبار کے دیگر شعبوں تک بڑھانے کی ترتیب کے متعلق ہیں۔
- (۴) ٹنگ مشین:
- کمپنی نے نئی ڈائجٹل مشین خریدی ہے جو کہ 30 جون 2021 کے بعد انشال اور کمیشن کر دی گئی ہے۔ ہم پر امید ہیں کہ اس کے استعمال سے ہماری مصنوعات کا معیار آپریشنل کارکردگی کے ساتھ بہتر ہوگا۔
- (۵) حمیر ہولڈر کا مرحلہ:
- 30 جون 2021 تک کمپنی 2017 کے سیکشن 227(۲)(f) کے مطابق کمپنی کی حمیر ہولڈر تک کا پتھر اس رپورٹ سے منسلک ہے۔
- (۶) ڈائریکٹرز ٹنگ:
- کمپنی اپنے بورڈ ممبران کی پیشہ وارانہ ترقی میں گہری دلچسپی رکھتی ہے، کارپوریٹ گورننس اور دیگر ریگولیٹو تہذیبوں سے متعلقہ قوانین اور موجودہ معاملات کے بارے میں ڈائریکٹرز کو اپ ڈیٹ رکھا جاتا ہے۔ کمپنی کے 13 ڈائریکٹرز نے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) سے CCG قوانین کی تحصیل میں سرٹیفیکیشن مکمل کیا ہے۔
- (۷) ٹریڈنگ:
- کمپنی کے حمیر کے لین دین میں کوئی ٹریڈنگ بورڈ آف ڈائریکٹرز CFO, CEO کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ کے سربراہ یا کوئی فیملی ممبرز کے ذریعے کمپنی کے حصص میں کوئی ٹریڈنگ نہیں کی گئی ہے۔
- (۸) ڈیولپمنٹ:
- کاروبار کی قابل ذکر ترقی کے نتیجے میں ورکنگ کپٹل کی ضرورت میں اضافہ ہوا۔ کمپنی کو نہ صرف انویسٹری میں سرمایہ کاری کرنا پڑی بلکہ مشینری، اضافی پیداوار کو سنبھالنے کے لیے اضافی مزدور رکھنا پڑے چونکہ کمپنی کی توجہ مسلسل ترقی پر ہے، لہذا کمپنی اس وقت کسی بھی ڈیولپمنٹ کا اعلان کرنے کی پوزیشن میں نہیں ہے اور اس سلسلے میں حمیر ہولڈر سے تعاون درکار ہے۔
- (۹) ڈائریکٹرز کا انتخاب:
- بورڈ آف ڈائریکٹرز کی ٹرم 27 اکتوبر 2021 کو ختم ہو رہی ہیں اور ڈائریکٹرز کے نئے انتخابات اسی سال سالانہ جنرل میٹنگ (AGM) کے دوران اسی تاریخ کو ہونے والے ہیں۔
- (۱۰) حمیر فی حصص آمدنی:
- ٹیکس کے بعد حمیر فی حصص آمدنی 32.73 روپے ہیں اور پچھلے سال (2020-23)۔
- (۱۱) حمیر پرسن جائزہ رپورٹ:
- حمیر پرسن جائزہ رپورٹ اس سالانہ رپورٹ کا حصہ ہے اور کمپنی کے ڈائریکٹرز ان معیارات کی مکمل تائید کرتے ہیں۔
- (۱۲) آڈیٹرز:
- موجودہ آڈیٹرز میسرز مشتاق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ ریٹائر ہو کر دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمپنی کی سفارش پر 30 جون 2022 کو ختم ہونے والے سال کے لیے مشتاق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ کی دوبارہ تقرری کی تجویز منظور کی ہے۔
- (۱۳) اعتراف:
- آپکی ڈائریکٹرز اس موقع پر تمام اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں اور ان کی حوصلہ افزائی اور تعاون کے عوض ان کی تعریف کرتے ہیں۔ ہم کمپنی کے ہر ممبران کی جانب سے ان کے عزم، لگن اور محنت کا بھی شکریہ ادا کرتے ہیں اور اس کے ساتھ ہمارے حصص یافتگان کی پر خلوص تعریف کرتے ہیں۔ جنہوں نے ہمیشہ کمپنی کے اوپر اپنا اعتماد اور یقین ظاہر کیا ہے۔

### چیمبر پرسن جائزہ رپورٹ:

انتہائی مسرت کے ساتھ میں یہ جائزہ رپورٹ کمپنی کے شراکت داروں کو پیش کر رہی ہوں جو بورڈ آف ڈائریکٹرز کی کارکردگی اور کمپنی کے اہداف کے حصول کی افادیت کے متعلق ہے۔

بورڈ آف ڈائریکٹرز نے اپنے فرائض کو پیشہ وارانہ انداز اور دیانت داری کے ساتھ انجام دیا ہے۔ جبکہ اپنی مصنوعات کے اعلیٰ معیار کو برقرار رکھتے ہوئے اپنی صارفین کے اعتماد میں استحکام پیدا کرنے اور نئی مارکیٹ اور نئے گاہکوں پر توجہ دی ہے۔

بورڈ کمپنی کی اسٹریٹجک سمت کا مسلسل جائزہ لیتا رہتا ہے اور اپنے کاروباری کاموں میں بہتری کو یقینی بناتا ہے، چیف ایگزیکٹو بورڈ کی کاروباری منصوبہ بندی، آپریٹنگ کارکردگی، کیش فلو، متعلقہ مالیاتی معلومات اور رسک مینجمنٹ جیسے شعبوں پر باقاعدہ بنیادوں پر رپورٹ اپ ڈیٹ کرتے ہیں۔

الحمد للہ، سال 2021 کو ویڈیو 19 دہائی کی متعدد دہروں کے باوجود پچھلے سال کے مقابلے میں بہت بہتر سال ثابت ہوا ہے، نہ صرف یہ کہ ہمارے ملک میں اس وبائی صورتحال کو بہتر طریقے سے سنبھالنے میں کامیاب رہا بلکہ ترقی کی رفتار بھی تیز کی۔ مجموعی طور پر ملک کی معیشت، کاروبار، اور برآمدات میں کافی اضافہ ہوا ہے جب کہ سال 2021-22 کی پہلی سہ ماہی کے دوران بھی بہتر کارکردگی جاری ہے۔

یہ سال بھی آپکی کمپنی کے لیے بہت اچھا رہا نہ صرف ہم نے اپنی ترقی کے اہداف حاصل کر لیے جو سال 2020 کے لیے مقرر کیے گئے تھے بلکہ اس سے کافی زیادہ گروتھ حاصل کی، کمپنی نے 38 فیصد ترقی حاصل کی، جو کہ پچھلے 2 سالوں کی 10 فیصد گروتھ سے بہت زیادہ ہے۔ ڈائریکٹرز، مینجمنٹ اور تمام عملے نے ترقی اور کارکردگی کے حصول کے لیے بھرپور کوشش کی۔ جس کے لیے وہ تعریف کے مستحق ہیں، اہم بات یہ ہے کہ اس ترقی کے ساتھ بہتر منافع اور مارجن بھی حاصل کیا گیا ہے۔ جس کے لیے میں پوری ٹیم کو مبارکباد دینا چاہتی ہوں۔

ہم پر امید ہیں کہ رواں سال کے دوران ترقی کرتے رہیں گے جبکہ پہلے تین ماہ کی کارکردگی بھی امید افزا نتائج دکھا رہی ہیں۔ ہماری ٹیم رواں سال کے دوران بھی اس طرح کی ترقی کو جاری رکھنے اور برقرار رکھنے کے لیے بھرپور کوشش کرتی رہے گی اور اللہ تعالیٰ کی مدد سے ہم اپنے اہداف کو حاصل کر لیں گے۔ انشاء اللہ۔ آخر میں، میں تمام بورڈ ممبران کے کام، عزم اور محنت کے لیے شکر یہ ادا کرنا چاہتی ہوں۔

کراچی

کیم اکتوبر 2021

ماہ جمین عبید

چیمبر پرسن

# TOWELLERS LIMITED

## Form of Proxy

### 48<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 eight Annual General  
Meeting of the Company to be held on October 27, 2021, and at any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of \_\_\_\_\_ 2021

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.

## TOWELLERS LIMITED

ٹاؤلرز لمیٹڈ

فارم برائے پراکسی (Form of Proxy)

48 ویں سالانہ اجلاس عام

میں نام \_\_\_\_\_ کا (مکمل پتہ) \_\_\_\_\_ بمشیت ہارڈ لیٹر کے نمبر \_\_\_\_\_ جس کے نام سے ہندسہ چواہ (مکمل)

پتہ \_\_\_\_\_ یا ان کی موجودگی کی صورت میں \_\_\_\_\_ کا (مکمل پتہ)

جو کھلی گائی کے نمبر \_\_\_\_\_ پر 27 اکتوبر 2021 کو مندرجہ ہونے والے اور ریاستہائے ہونے والے 48 ویں اجلاس کے سالانہ اجلاس عام میں میری نمائندگی کی جانب سے ووٹ دینے کے لئے میری نمائندگی کی طرف سے مقرر کرتی ہوں کرتے ہیں۔

یہ فارم \_\_\_\_\_ تاریخ \_\_\_\_\_ 2021 کو میرے نام سے جمع کروانے کے لئے۔

ذکورہ کی جانب سے دستخط شدہ

مندرجہ ذیل گواہوں کی موجودگی میں

گواہ:

۱۔ دستخط \_\_\_\_\_ ۲۔ دستخط \_\_\_\_\_

نام \_\_\_\_\_ نام \_\_\_\_\_

پتہ: \_\_\_\_\_ پتہ: \_\_\_\_\_

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