



***Unaudited Account for the
Nine Months Ended
March 31st, 2020***

TOWELLERS LTD

TOWELLERS LTD

COMPANY INFORMATION BOARD OF DIRECTORS

Mrs.	Mahjabeen Obaid	Chairperson
Mrs.	Mehreen Obaid Agha	Chief Executive Officer
Mrs.	Sana Bilal	Director
Mrs.	Hadeel Obaid	Director
Mr.	Zeeshan K. Sattar	Director
Mr.	Abdul Jalil Shariff	Director
Mr.	Valy Tariq Rangoon wala	Independent Director

BOARD AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr.	Valy Tariq Rangoon wala	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

REGISTRAR & SHARE REGISTRATION OFFICE

T.H.K., Associates Pvt. Ltd
Head Office 1st floor 40-C, Block 6
P.E.C.H.S. Karachi 75400
P.O. Box # 8533

REGISTERED OFFICE

WSA-30 & 31, Block-1, Federal "B" Area, Karachi-75950
Web Site : www.towellers.com

Company Registration National Tax & Sales Tax No.
C.R. # 0004042 NTN 0676889-0, 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.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors are pleased to present their report together with the un-audited financial statements of the Company for the third quarter ended March 31, 2020.

The sales of the company during the Jul-Mar period is Rs. 3.0 B as compared to Rs. 2.81 B during the same period last year, hence grown by almost 6.7%. Gross profit for the period is Rs. 562.41 M (18.76%) as compared to Rs. 511.49 M (18.20%) last year.

The Company has earned a year to date net profit after tax of Rs. 226.88 M (7.57%) as compared to Rs. 169.53 M (6.03%). Profits earned during the period includes exchange gain of Rs. 19.8 M due to currency devaluation that took place during the month of March.

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

FINANCIAL HIGHLIGHTS

NINE MONTHS ENDED MARCH 2020


	Rupees in Thousands	
	2020	2019
Sales	2,998,635	2,811,049
Gross Profit	562,407	511,489
Profit from operations	236,049	207,607
Taxation	30,399	37,941
Profit after taxation	226,881	169,526
EPS	13.35	9.97

During the third quarter, export orders of the Company have been severely affected by the lockdowns taking place in North America and Europe due to the Covid – 19 pandemic. Effects of this Pandemic are anticipated in the last quarterly results and on the year as well. Hence, year on year growth that was anticipated and was being targeted, might not be achieved.

However, the Management of the Company is pushing to try and maximize sales and profitability despite this unprecedented crisis being faced by the world.

Acknowledgment

We thank all our stakeholders for their patience and endless support during these trying times. We also appreciate the effort and commitment of our sales, production and all other departments to achieve our growth targets, working towards the prosperity of our company.


Mehreen Qasim Agha
Chief Executive Officer
Karachi:

Dated: 28th April, 2020


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer


TOWELLERS LIMITED

Condensed Interim Statement of Financial Position


As at March 31, 2020

		UNAUDITED	AUDITED
	Notes	31-Mar-20	30-Jun-19
Rupees			
Property, plant and equipment	6	1,672,622,673	1,220,828,937
Long term loans		13,340,854	12,851,217
Long term deposits		16,875,320	19,755,320
		1,702,838,847	1,253,435,474
Stores, spare parts and loose tools		18,665,445	20,721,948
Stock in trade		530,299,097	486,952,015
Trade debts	7	487,175,676	402,696,309
Loans and advances		18,626,874	16,273,727
Trade deposits and short term prepayments		19,825,759	16,279,720
Other receivables		165,134,418	142,658,930
Income tax and sales tax refundable		240,961,102	103,014,941
Cash and bank balances		329,453,813	287,273,316
		1,810,142,183	1,475,870,905
TOTAL ASSETS		3,512,981,030	2,729,306,380
Authorized capital			
25,000,000 (June 30, 2019: 25,000,000) ordinary shares of Rs. 10 each		250,000,000	250,000,000
Issued, subscribed and paid up capital			
17,000,000 (June 30, 2019: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		1,317,929,375	1,053,744,900
Surplus on revaluation of property, plant & equipment		1,211,411,080	819,673,514
		2,699,340,455	2,043,418,414
Deferred liabilities			
Staff retirement benefits - gratuity		102,666,195	97,902,016
		102,666,195	97,902,016
Trade and other payables		710,974,380	587,985,950
		710,974,380	587,985,950
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY & LIABILITIES		3,512,981,030	2,729,306,380

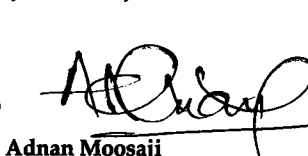
The annexed notes form an integral part of this condensed interim financial information.



Mehreen Obaid Agha
Chief Executive Officer



Sana Bilal
Director



Adnan Moosaji
Chief Financial Officer

Date: April 28 2020


TOWELLERS LIMITED

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


For the nine months ended March 31, 2020

	Nine Months Ended		Quarter Ended	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	Rupees			
Net Sales	2,998,635,135	2,811,049,096	755,338,618	825,068,477
Cost of sales	(2,436,227,914)	(2,299,559,620)	(630,986,851)	(737,869,899)
Gross profit	562,407,221	511,489,476	124,351,767	87,198,578
Distribution cost	(133,171,419)	(144,626,984)	(28,034,793)	(37,285,655)
Administrative expenses	(179,645,482)	(148,336,659)	(64,900,507)	(51,560,386)
Other operating expenses	(13,541,019)	(10,919,314)	(1,992,095)	60,530
	(326,357,920)	(303,882,957)	(94,927,395)	(88,785,511)
Profit / (loss) from operations	236,049,301	207,606,520	29,424,372	(1,586,933)
Other income / charges				
Other income	26,222,949	5,206,793	11,087,574	2,425,556
Finance cost	(4,992,883)	(5,346,339)	(2,662,144)	(1,988,674)
	21,230,066	(139,546)	8,425,430	436,882
Profit before taxation	257,279,366	207,466,973	37,849,802	(1,150,051)
Provision for taxation	(30,398,667)	(37,940,690)	(9,865,950)	(14,494,640)
Profit for the period / (loss)	226,880,699	169,526,283	27,983,853	(15,644,692)
Profit per share-basic and diluted	13.35	9.97	1.65	(0.92)

The annexed notes form an integral part of this condensed interim financial information.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

Date: April 28 2020

TOWELLERS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-audited) For the nine months ended March 31, 2020

	Nine Months Ended		Quarter Ended	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	Rupees			
Profit for the period / (loss)	226,880,699	169,526,283	27,983,853	(15,644,692)
Surplus on revaluation of property, plant & equipment	429,041,342	-	-	-
Total comprehensive Profit for the period	655,922,041	169,526,283	27,983,853	(15,644,692)

The annexed notes form an integral part of this condensed interim financial information.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

Date: April 28 2020


TOWELLERS LIMITED

Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine months ended March 31, 2020

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Capital Reserve	
		Share premium	Unappropriated profit	Revaluation Surplus	
	Rupees				
Balance as at July 1, 2018	170,000,000	63,000,000	543,568,525	849,432,078	1,626,000,603
Total comprehensive Income for the period ended March 31, 2019	-	-	169,526,283	-	169,526,283
Transferred from surplus on revaluation of property, plant & equipment	-	-	22,318,923	(22,318,923)	-
Balance as at March 31, 2019	170,000,000	63,000,000	735,413,732	827,113,155	1,795,526,886
Balance as at July 1, 2019	170,000,000	63,000,000	990,744,900	819,673,514	2,043,418,414
Total comprehensive Income for the period ended March 31, 2020	-	-	226,880,699	429,041,342	655,922,041
Transferred from surplus on revaluation of property, plant & equipment	-	-	37,303,776	(37,303,776)	-
Balance as at March 31, 2020	170,000,000	63,000,000	1,254,929,375	1,211,411,080	2,699,340,455

The annexed notes form an integral part of this condensed interim financial information.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

Date: April 28 2020

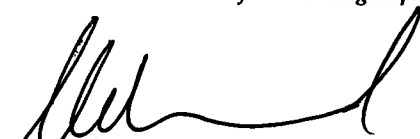
TOWELLERS LIMITED

Condensed Interim Statement of Cash Flow (Un-audited)

For the nine months ended March 31, 2020

	Nine Months Ended	
	31-Mar-20	31-Mar-19
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	257,279,366	207,466,973
Adjustments for:		
Depreciation	66,927,286	61,728,828
Finance cost	4,992,883	5,346,339
(Gain) / loss on disposal of property, plant and equipment	(317,403)	(217,306)
Workers' profit participation fund	13,541,019	10,919,314
Provision for gratuity	17,573,776	17,905,401
	<u>102,717,561</u>	<u>95,682,576</u>
Profit before working capital changes	359,996,927	303,149,549
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	(41,290,579)	(47,813,165)
Trade debts	(84,479,366)	(145,387,952)
Loans and advances	(2,353,147)	3,306,676
Trade deposits and short term prepayments	(666,039)	(10,320,855)
Other receivables	(22,475,488)	24,629,393
	<u>(151,264,619)</u>	<u>(175,585,903)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	132,915,325	47,723,783
Cash generated from operations	<u>341,647,633</u>	<u>175,287,429</u>
Finance cost paid	(4,992,883)	(5,346,339)
Taxes refund / (paid)	(168,344,828)	(42,784,231)
Long term loan paid	(489,637)	(258,063)
Workers' profit participation fund paid	(23,467,914)	(14,716,104)
Staff retirement benefits - gratuity net	(12,809,597)	(12,065,847)
Net cash generated from operating activities	<u>131,542,774</u>	<u>100,116,844</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	1,022,500	265,000
Fixed capital expenditure	(90,384,777)	(17,909,048)
Net cash used in investing activities	<u>(89,362,277)</u>	<u>(17,644,048)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	-	-
Short term borrowings - net	-	(1,458,339)
Net cash used in financing activities	<u>-</u>	<u>(1,458,339)</u>
Net increase / (decrease) in cash and cash equivalents	<u>42,180,497</u>	<u>81,014,458</u>
Cash and cash equivalents at the beginning of the period	287,273,316	106,579,914
Cash and cash equivalents at the end of the period	<u>329,453,813</u>	<u>187,594,372</u>

The annexed notes form an integral part of this condensed interim financial information.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

Date: April 28 2020

TOWELLERS LIMITED

Notes to the Condensed Interim Financial Information (Un-audited) For the nine months ended March 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan as a Private Limited Company on May 31, 1973 and subsequently converted into Public Limited Company on June 22, 1994 under the Companies Act, 1913 (Now Companies Act, 2017) and is quoted on stock exchanges at Karachi and Lahore. The principal business of the company is to manufacture and export of textile made ups, garments and towels. The registered office of the company is situated at WSA - 30 & 31, Block - 1, Federal "B" Area, Karachi in the province of Sindh, Pakistan.

2 BASIS OF PREPARATION

Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Finance Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2019.

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

These condensed financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the nine months ended March 31, 2019.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2019.

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

4 New/ Revised Standards, Interpretations and Amendments

The company has adopted the following standards and improvements to IFRSs which became effective for the current Standards or Interpretation.

IFRS- 16 Leases

IFRS- 9 Prepayment features with negative compensation (Amendments)

IAS- 19 Plan amendment, curtailment or settlement (Amendments)

IAS- 28 Long term interests in associates and joint ventures (Amendments)

IFRIC- 23 Uncertainty over income tax treatments

Improvements to accounting standards issued by the IASB in December 2017.

IFRS- 3 Business combinations - Previously held interests in a joint operation

IFRS- 11 Joint arrangements - Previously held interests in a joint operation

IAS- 12 Income taxes- Income tax consequences of payments on financial instruments classified as equity

IAS- 23 Borrowing costs - Borrowing costs eligible for capitalization

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the company's financial statements.

5 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2019.

6 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	31-Mar-20	30-Jun-19
		----- Rupees -----	
Operating assets	6.1	1,654,029,517	1,196,972,742
Capital work in progress-at cost	6.2	18,593,156	23,856,195
		<u>1,672,622,673</u>	<u>1,220,828,937</u>

6.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	31-Mar-20	30-Jun-19
	----- Rupees -----	
Net book value at the beginning of the period	1,196,972,742	1,259,134,891
<i>Additions during the period</i>		
Leasehold land	278,164,270	-
Building on leasehold land	122,353,744	-
Plant and machinery	78,089,633	7,534,253
Furniture and fixture	563,205	1,267,665
Office equipment	8,712,149	4,819,857
Solar Power Plant	33,750,857	-
Vehicles	3,055,300	6,941,226
	<u>524,689,159</u>	<u>20,563,001</u>
Net book value of assets disposed during the period	(705,097)	(50,735)
Depreciation for the period	(66,927,286)	(82,674,415)
Net book value at the end of the period	<u>1,654,029,517</u>	<u>1,196,972,742</u>

6.2 CAPITAL WORK IN PROGRESS

Building	2,500,000	8,315,909
Machinery	13,328,921	15,540,286
Software	2,764,235	-
	<u>18,593,156</u>	<u>23,856,195</u>

7 TRADE DEBTS

<i>Secured - considered good</i>		
Foreign debts	486,461,957	401,532,012
<i>Unsecured - considered good</i>		
Domestic debts	713,719	1,164,297
	<u>713,719</u>	<u>1,164,297</u>
	<u>487,175,676</u>	<u>402,696,309</u>

8 CONTINGENCIES AND COMMITMENTS

Contingencies

7.1 Bank guarantees issued in the ordinary course of business	9,405,000	9,405,000
---	-----------	-----------

8 TRANSACTIONS WITH RELATED PARTIES

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

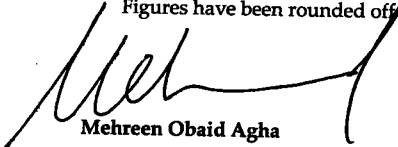
Nature of transaction	Relationship	Rupees
Salaries and other benefits	C.E.O & Directors	28,031,085

9 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the board of directors of the company on April 28 2020

10 GENERAL

Figures have been rounded off to the nearest rupees.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

Date: April 28 2020

BOOK POST
UNDER POSTAL CERTIFICATE

If undelivered, please return to:
TOWELLERS LIMITED
W.S.A. 30, Block-1, Federal 'B' Area, Karachi.