



***Unaudited Account for the
Quarter Ended
September 30th, 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 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
Bank Islami Pakistan Ltd
Allied Bank Limited
Muslim Commercial Bank Limited
Faysal Bank Ltd
Al Baraka Islamic Bank
Summit Bank Ltd
Silk 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.

TOWELLERS LTD

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors are pleased to present their report together with the un-audited financial statements of the Company for the first quarter ended September 30, 2020.

Alhamdulillah, upon the ease in lockdowns and re-opening of markets in Europe and USA, the Company's orders were restored during and after the month of June, the results of which are evident by the financial results. The sales of the company during the first quarter has grown by 24.3% to Rs. 1,326 M as compared to Rs. 1,067 M during the same period last year. Average sales per month during the quarter is Rs. 442 M as compared to the average sales per month of Rs. 314.35 M during the year ended June 2020. The gross profit has also increased to 22.32% as compared to 17.16%. The tremendous growth during the quarter has resulted in the net profit of Rs. 182.71 M which is 13.78% of net sales.

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

FINANCIAL HIGHLIGHTS

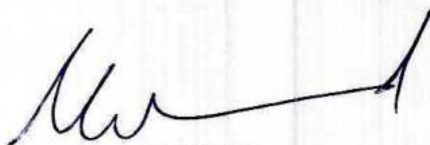
FIRST QUARTER ENDED SEPTEMBER 30, 2020

	Rupees in Thousands	
	2020	2019
Sales	1,325,987	1,066,740
Gross Profit	295,890	183,069
Profit from operations	186,372	73,515
Taxation	10,795	9,529
Profit after taxation	182,711	70,361

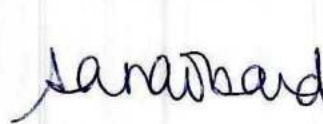
We are expecting this healthy growth to continue during the second quarter and with the untiring efforts of directors and staff, the Company is hoping to achieve its growth targets for the current financial year while maintaining the profitability.

Acknowledgment

We thank all stakeholders for their endless support in achieving our growth targets. Also, we appreciate efforts of our sales, production and all the teams to achieve our set growth targets and their commitment towards the prosperity of our company.



Mehreen Obaid Agha
Chief Executive Officer



Sana Bilal
Director

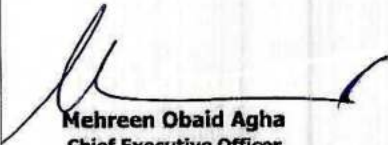
Karachi:
Dated : 28th-OCTOBER 2020


TOWELLERS LTD


Condensed Interim Financial Position (Un-audited)
As at September 30, 2020

		UNAUDITED	AUDITED
	Note	30-Sep-20	30-Jun-20
Rupees			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,672,638,672	1,663,760,816
Long term loans		16,993,109	16,860,935
Long term deposits		16,931,050	16,875,320
		1,706,562,831	1,697,497,071
CURRENT ASSETS			
Stores, spare parts and loose tools		37,493,231	27,003,224
Stock in trade		791,185,360	567,968,278
Trade debts	6	789,826,490	510,349,437
Loans and advances		14,837,391	13,177,902
Trade deposits and short term prepayments		28,041,506	27,880,342
Other receivables		112,449,292	86,258,889
Income tax and sales tax refundable		274,346,551	269,267,982
Cash and bank balances		346,448,564	350,295,502
		2,394,628,385	1,852,201,555
TOTAL ASSETS		4,101,191,216	3,549,698,626
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
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			
17,000,000 (June 30, 2020: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		1,511,889,837	1,317,201,714
Surplus on revaluation of property, plant & equipment		1,215,072,011	1,227,048,962
		2,896,961,848	2,714,250,675
NON CURRENT LIABILITIES			
Deferred liabilities			
Staff retirement benefits - gratuity		165,176,403	163,375,631
		165,176,403	163,375,631
CURRENT LIABILITIES			
Trade and other payables		1,039,052,965	672,072,320
		1,039,052,965	672,072,320
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES		4,101,191,216	3,549,698,626

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

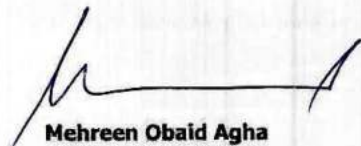
Karachi:
Dated : 28th-OCTOBER 2020

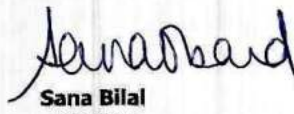
TOWELLERS LTD

Condensed Interim Statement of Profit and Loss Account (Un-audited)
For the quarter ended September 30, 2020

	30-Sep-20	30-Sep-19
	Rupees	
Net Sales	1,325,987,025	1,066,739,783
Cost of sales	(1,030,097,289)	(883,670,534)
Gross profit	295,889,736	183,069,249
Distribution cost	(35,501,872)	(45,173,603)
Administrative expenses	(63,831,679)	(60,175,806)
Other operating expenses	(10,184,528)	(4,204,715)
	(109,518,079)	(109,554,123)
Profit / (loss) from operations	186,371,657	73,515,125
Other charges / income		
Other income	7,929,259	7,407,657
Finance cost	(794,875)	(1,033,204)
	7,134,384	6,374,454
Profit before taxation	193,506,041	79,889,578
Provision for taxation	(10,794,869)	(9,528,573)
Profit for the period	182,711,172	70,361,005
Profit per share-basic and diluted	10.75	4.14

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

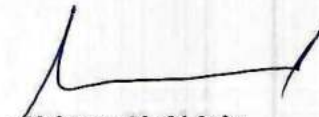
Karachi:
Dated : 28th-OCTOBER 2020

TOWELLERS LTD

Condensed Interim Statement of Comprehensive Income (Un-audited)
For the quarter ended September 30, 2020

	Quarter ended	
	30-Sep-20	30-Sep-19
	Rupees	
Profit for the period	182,711,172	70,361,005
Gain on Surplus on revaluation of property, plant & equipment	-	428,564,478
Total comprehensive Profit for the period	182,711,172	498,925,483

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer


Karachi:
Dated : 28th-OCTOBER 2020

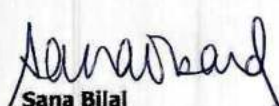
TOWELLERS LTD

Condensed Interim Statement of Changes in Equity (Un-audited)
For the quarter ended September 30, 2020

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Capital Reserve	
		Share premium	Unappropriated profit	Revaluation Surplus	
Rupees					
Balance as at July 1, 2019	170,000,000	63,000,000	990,744,900	819,673,514	2,043,418,414
Profit for the period	-	-	70,361,005	428,564,478	498,925,483
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of property, plant & equipment	-	-	13,392,439	(13,392,439)	-
Balance as at Sep 30, 2019	170,000,000	63,000,000	1,074,498,344	1,234,845,553	2,542,343,897
Balance as at July 1, 2020	170,000,000	63,000,000	1,254,201,714	1,227,048,962	2,714,250,676
Profit for the period	-	-	182,711,172	-	182,711,172
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of property, plant & equipment	-	-	11,976,951	(11,976,951)	-
Balance as at Sep 30, 2020	170,000,000	63,000,000	1,448,889,837	1,215,072,011	2,896,961,848

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

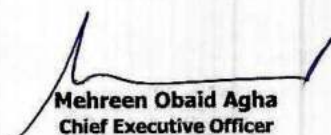
Karachi:
Dated : 28th-OCTOBER 2020

TOWELLERS LTD

Condensed Interim Cash Flow Statement (Un-audited)
For the quarter ended September 30, 2020

	Quarter ended	
	30-Sep-20	30-Sep-19
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	193,506,041	79,889,578
Adjustments for:		
Depreciation	22,660,797	22,305,386
Finance cost	794,875	1,033,204
Gain on disposal of property, plant and equipment	(761,114)	-
Workers' profit participation fund	10,184,528	4,204,715
Provision for gratuity	9,073,089	5,857,362
	41,952,176	33,400,667
Profit before working capital changes	235,458,217	113,290,245
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	(233,707,089)	11,746,341
Trade debts	(279,477,053)	(141,441,874)
Loans and advances	(1,659,489)	128,430
Trade deposits and short term prepayments	(216,894)	(8,233,703)
Other receivables	(26,190,403)	(21,346,227)
	(541,250,928)	(159,147,033)
(Decrease) / increase in current liabilities		
Trade and other payables	356,796,117	212,749,116
Cash generated from operations	51,003,406	166,892,328
Finance cost paid	(794,875)	(1,033,204)
Taxes refund / (paid)	(15,873,437)	(119,181,058)
Long term loan paid	(132,174)	(896,734)
Staff retirement benefits - gratuity net	(7,272,317)	(3,863,488)
Net cash generated from operating activities	26,930,603	41,917,844
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	9,685,000	-
Fixed capital expenditure	(40,462,541)	(46,522,258)
Net cash used in investing activities	(30,777,541)	(46,522,258)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	-	-
Net cash used in financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(3,846,938)	(4,604,414)
Cash and cash equivalents at the beginning of the year	350,295,502	287,273,316
Cash and cash equivalents at the end of the period	346,448,564	282,668,902

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

Karachi:
Dated : 28th-OCTOBER 2020

TOWELLERS LTD

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

For the quarter ended September 30, 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 Ordinance, 1984) and is quoted on stock exchanges at Karachi and Lahore. The principal business of the company is to manufacture and export of textile made ups, garments and towels. The registered office of the company is situated at WSA - 30 & 31, Block - 1, Federal "B" Area, Karachi in the province of Sindh, Pakistan.

2 BASIS OF PREPARATION

Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Finance Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2020.

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

These condensed financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the quarter ended September 30, 2020.

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, 2020.

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

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2020.

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, 2020.

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	30-Sep-20	30-Jun-20
		Rupees	
Operating assets	5.1	1,648,043,766	1,657,507,832
Capital work in progress-at cost	5.2	24,594,906	6,252,985
		<u>1,672,638,672</u>	<u>1,663,760,817</u>

TOWELLERS LTD

5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	30-Sep-20	30-Jun-20
	----- Rupees -----	
Net book value at the beginning of the period/year	1,657,507,832	1,207,399,361
Additions / Surplus on revaluation during the period/year		
Leasehold land	-	278,164,270
Building on leasehold land	-	122,353,744
Plant and machinery	3,904,000	92,527,055
Furniture and fixture	370,606	563,205
Office equipment	3,853,514	10,847,299
Solar Power Plant	-	34,339,907
Vehicles	13,992,500	3,115,300
	22,120,620	541,910,780
Net book value of assets disposed during the period/year	(8,923,889)	(731,764)
Depreciation for the period/year	(22,660,797)	(91,070,544)
Net book value at the end of the period/year	1,648,043,766	1,657,507,832

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-20	30-Jun-20
	----- Rupees -----	
Building	13,528,638	2,500,000
Machinery	7,313,283	-
Software	3,752,985	3,752,985
	24,594,906	6,252,985

6 TRADE DEBTS

	Note	(Un-audited)	(Audited)
		30-Sep-20	30-Jun-20
		----- Rupees -----	
Secured - considered good			
Foreign debts		789,235,844	506,155,588
Unsecured - considered good			
Domestic debts		590,646	4,193,849
		590,646	4,193,849
		789,826,490	510,349,437
		789,826,490	510,349,437

7 CONTINGENCIES AND COMMITMENTS

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

TOWELLERS LTD

	(Un-audited)	(Audited)
	30-Sep-20	30-Jun-20
	-----Rupees-----	

7.1 Contingencies

Bank guarantees issued in the ordinary course of business

9,405,000 9,405,000

7.2 Commitments

There were no commitments as on period ended

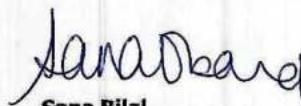
8 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 28th October 2020 by the board of directors of the company.

9 GENERAL

Figures have been rounded off to the nearest rupees.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

Karachi:
Dated : 28th-OCTOBER 2020

BOOK POST

UNDER POSTAL CERTIFICATE

If undelivered, please return to:

TOWELLERS LIMITED

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