



Towellers Limited

**Unaudited Accounts for the
Nine Months Ended
March 31st, 2021**

www.towellers.com

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

TOWELLERS LTD

COMPANY INFORMATION BOARD OF DIRECTORS

Mrs.	Mahjabeen Obaid	Chairperson
Mrs.	Mehreen Obaid Agha	Chief Executive Officer
Mrs.	Sana Bilal	Director
Mrs.	Hadeel Obaid	Director
Mr.	Zeeshan K. Sattar	Director
Mr.	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
Meezan Bank Limited
Al Barka Bank Pakistan Ltd

REGISTRAR & SHARE REGISTRATION OFFICE

Plot No. 32-C, Jami Commercial,
D.H.A., Phase-VII, Karachi.

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 Mar 31, 2021.

The Country's textile group exports have witnessed 9.06% growth during the first nine months (Jul-Mar, 2021) and remained at US\$ 11.355 Billion compared to US\$ 10.412 Billion during the same period last year. The Textile group exports during the month of March witnessed an increase of 9.85% as it stood at US\$ 1.355 Billion as compared to US\$ 1.234 Billion during February 2021. Whereas, there was a growth of 30.38% during the month of March 2021 as compared to the same month last year which was US\$ 1.039 Billion.

The Company's exports grew at the rate of 38.32% during the nine months ended Mar 31, 2021 as compared to the same period last year (i.e. Rs. 4.15 B Vs Rs. 3.0 B). The growth during the third quarter only (Jan-Mar, 2021) stood at 57.82% as compared to the same quarter last year (i.e. Rs. 1.19 B Vs Rs. 0.76 B). However, the extra ordinary growth during the quarter was due to low base sales during the same quarter last year, which was badly affected due to Corona Virus pandemic.

Increased sales revenue has resulted in healthy after tax net profitability of 13.28% (i.e. Rs. 551 M) and an EPS of Rs. 32.40 during the nine months ended Mar 31, 2021. However, the profitability during the last quarter under review remained at 10.59%. The international markets of Europe and North America is showing signs of recovery after the encouraging results of vaccination against the COVID-19. It is expected that the hospitality industry in these regions will start gaining momentum and the sales of Home Textile products will also show growth that will help in producing better results during the coming months.

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

FINANCIAL HIGHLIGHTS

NINE MONTHS ENDED MARCH 31, 2021

	Rupees in Thousands	
	2021	2020
Sales	4,147,605	2,998,635
Gross Profit	976,910	562,407
Profit from operations	576,264	236,049
Taxation	41,176	30,399
Profit after taxation	550,743	226,881
EPS	32.40	13.35

With the blessings of Allah, your prayers and the untiring efforts of Management of the Company, we are hoping that the Company will close this financial year with unprecedented turnover and profitability numbers.

Acknowledgment

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



Mehreen Obaid Agha
Chief Executive Officer
Karachi:

Dated: 28th April, 2021



Sana Bilal
Director

TOWELLERS LIMITED

Condensed Interim Statement of Financial Position

As at March 31, 2021

	Notes	UNAUDITED	AUDITED
		31-Mar-21	30-Jun-20
Rupees			
Property, plant and equipment	6	1,668,175,229	1,663,760,816
Long term loans		20,382,735	16,860,935
Long term deposits		29,282,641	16,875,320
		1,717,840,605	1,697,497,071
Stores, spare parts and loose tools		34,014,105	27,003,224
Stock in trade		770,132,050	567,968,278
Trade debts	7	533,427,462	510,349,437
Loans and advances		25,837,736	13,177,902
Trade deposits and short term prepayments		18,051,070	27,880,342
Other receivables		204,179,739	86,258,889
Income tax and sales tax refundable		216,997,527	269,267,982
Cash and bank balances		674,444,675	350,295,502
		2,477,084,364	1,852,201,555
TOTAL ASSETS		4,194,924,969	3,549,698,626
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		1,903,875,770	1,317,201,714
Surplus on revaluation of property, plant & equipment		1,191,118,109	1,227,048,962
		3,264,993,879	2,714,250,675
Deferred liabilities			
Staff retirement benefits - gratuity		174,327,992	163,375,631
		174,327,992	163,375,631
Trade and other payables		755,603,098	672,072,320
		755,603,098	672,072,320
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY & LIABILITIES		4,194,924,969	3,549,698,626


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 2021

TOWELLERS LIMITED

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

For the nine months ended March 31, 2021

	Nine Months Ended		Quarter Ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	Rupees			
Net Sales	4,147,605,237	2,998,635,135	1,192,083,866	755,338,618
Cost of sales	(3,170,695,546)	(2,436,227,914)	(913,902,082)	(630,986,851)
Gross profit	976,909,691	562,407,221	278,181,784	124,351,767
Distribution cost	(159,252,720)	(133,171,419)	(56,678,714)	(28,034,793)
Administrative expenses	(210,239,074)	(179,645,482)	(75,682,661)	(64,900,507)
Other operating expenses	(31,153,667)	(13,541,019)	(7,475,929)	(1,992,095)
	(400,645,461)	(326,357,920)	(139,837,304)	(94,927,395)
Profit / (loss) from operations	576,264,230	236,049,301	138,344,480	29,424,372
Other income / charges				
Other income	19,213,697	26,222,949	5,744,627	11,087,574
Finance cost	(3,558,246)	(4,992,883)	(2,046,445)	(2,662,144)
	15,655,451	21,230,066	3,698,182	8,425,430
Profit before taxation	591,919,681	257,279,366	142,042,662	37,849,802
Provision for taxation	(41,176,479)	(30,398,667)	(15,819,990)	(9,865,950)
Profit for the period / (loss)	550,743,202	226,880,699	126,222,672	27,983,852
Profit per share-basic and diluted	32.40	13.35	7.42	1.65

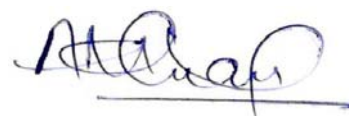
The annexed notes form an integral part of this condensed interim financial information.



Mehreen Obaid Agha
Chief Executive Officer



Sana Bilal
Director



Adnan Moosaji
Chief Financial Officer

Date: April 28 2021


TOWELLERS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-audited)

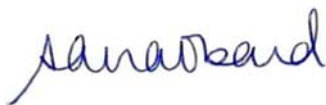
For the nine months ended March 31, 2021

	Nine Months Ended		Quarter Ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	Rupees			
Profit for the period / (loss)	550,743,202	226,880,699	126,222,672	27,983,852
Surplus on revaluation of property, plant & equipment	-	429,041,342	-	-
Total comprehensive Profit for the period	550,743,202	655,922,041	126,222,672	27,983,852

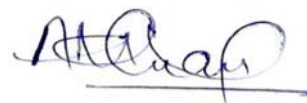
The annexed notes form an integral part of this condensed interim financial information.



Mehreen Obaid Agha
Chief Executive Officer



Sana Bilal
Director



Adnan Moosaji
Chief Financial Officer


Date: April 28 2021

TOWELLERS LIMITED


Condensed Interim Statement of Changes in Equity (Un-audited) For the nine months ended March 31, 2021

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
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
Balance as at July 1, 2020	170,000,000	63,000,000	1,254,201,715	1,227,048,962	2,714,250,677
Total comprehensive Income for the period ended March 31, 2021	-	-	550,743,202	-	550,743,202
Transferred from surplus on revaluation of property, plant & equipment	-	-	35,930,853	(35,930,853)	-
Balance as at March 31, 2021	170,000,000	63,000,000	1,840,875,770	1,191,118,109	3,264,993,879

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 2021

TOWELLERS LIMITED

Condensed Interim Statement of Cash Flow (Un-audited)

For the nine months ended March 31, 2021

	Nine Months Ended	
	31-Mar-21	31-Mar-20
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	591,919,681	257,279,366
Adjustments for:		
Depreciation	69,690,488	66,927,286
Finance cost	3,558,246	4,992,883
(Gain) / loss on disposal of property, plant and equipment	(1,188,625)	(317,403)
Workers' profit participation fund	31,153,667	13,541,019
Provision for gratuity	27,219,267	17,573,776
	130,433,043	102,717,561
Profit before working capital changes	722,352,724	359,996,927
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	(209,174,653)	(41,290,579)
Trade debts	(23,078,025)	(84,479,366)
Loans and advances	(12,659,834)	(2,353,147)
Trade deposits and short term prepayments	(2,578,049)	(666,039)
Other receivables	(117,920,850)	(22,475,488)
	(365,411,411)	(151,264,619)
(Decrease) / increase in current liabilities		
Trade and other payables	69,483,375	132,915,325
Cash generated from operations	426,424,687	341,647,633
Finance cost paid	(3,558,246)	(4,992,883)
Taxes refund / (paid)	11,093,978	(168,344,828)
Long term loan paid	(3,521,800)	(489,637)
Workers' profit participation fund paid	(17,106,264)	(23,467,914)
Staff retirement benefits - gratuity net	(16,266,906)	(12,809,597)
Net cash generated from operating activities	397,065,450	131,542,774
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	10,135,000	1,022,500
Fixed capital expenditure	(83,051,277)	(90,384,777)
Net cash used in investing activities	(72,916,277)	(89,362,277)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	-	-
Short term borrowings - net	-	-
Net cash used in financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	324,149,173	42,180,497
Cash and cash equivalents at the beginning of the period	350,295,502	287,273,316
Cash and cash equivalents at the end of the period	674,444,675	329,453,813

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 2021

TOWELLERS LIMITED

Notes to the Condensed Interim Financial Information (Un-audited) For the nine months ended March 31, 2021

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, 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 nine months ended March 31, 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 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, 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.

6 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	31-Mar-21	30-Jun-20
		----- Rupees -----	
Operating assets	6.1	1,635,656,742	1,657,507,831
Capital work in progress-at cost	6.2	32,518,487	6,252,985
		1,668,175,229	1,663,760,816

6.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	31-Mar-21	30-Jun-20
	----- Rupees -----	
Net book value at the beginning of the period	1,657,507,831	1,207,399,359
<i>Additions during the period</i>		
Leasehold land	-	278,164,270
Building on leasehold land	-	122,353,744
Plant and machinery	28,396,205	92,527,055
Furniture and fixture	2,117,656	563,205
Office equipment	8,662,914	10,847,299
Solar Power Plant	-	34,339,907
Vehicles	17,609,000	3,115,300
	56,785,775	541,910,780
Net book value of assets disposed during the period	(8,946,375)	(731,764)
Depreciation for the period	(69,690,488)	(91,070,544)
Net book value at the end of the period	1,635,656,742	1,657,507,831

6.2 CAPITAL WORK IN PROGRESS

Building	28,765,502	2,500,000
Software	3,752,985	3,752,985
	32,518,487	6,252,985

7 TRADE DEBTS

Secured - considered good

Foreign debts	516,807,340	506,155,588
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Unsecured - considered good

Domestic debts	16,620,122	4,193,849
	16,620,122	4,193,849
	533,427,462	510,349,437

8 CONTINGENCIES AND COMMITMENTS

Contingencies

7.1 Bank guarantees issued in the ordinary course of business	15,785,020	9,405,000
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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	35,178,899

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 28 April 2021.

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 2021