



Towellers Limited

**Unaudited Accounts for the
Nine Months Ended
March 31st, 2022**

www.towellers.com



TOWELLERS LTD

COMPANY INFORMATION BOARD OF DIRECTORS

Mrs.	Mahjabeen Obaid	Chairperson
Mrs.	Mehreen Obaid Agha	Chief Executive Officer
Mrs.	Sana Bilal	Director
Mrs.	Hadeel Obaid	Director
Mr.	Zeeshan K. Sattar	Director
Mr.	Valy Tariq Rangoonwala	Director
Mr.	Niaz Muhammad	Independent Director
Mr.	Muhammad Sarfraz	Independent Director

BOARD AUDIT COMMITTEE

Mr.	Muhammad Sarfraz	Chairman
Mrs.	Hadeel Obaid	Member
Mrs.	Sana Bilal	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr.	Niaz Muhammad	Chairman
Mr.	Zeeshan K. Sattar	Member
Mr.	Valy Tariq Rangoonwala	Member

CHIEF FINANCIAL OFFICER

Mr. Adnan Moosaji

COMPANY SECRETARY

Mr. M. Farhan Adil

STATUTORY AUDITORS

Mushtaq & Company
Chartered Accountants
407-Commerce Centre, Hasrat Mohani Road, Karachi.

BANKERS

Soneri Bank Limited
Allied Bank Limited
Bank Al Habib Limited
Muslim Commercial Bank Limited
Faysal Bank Limited
Al Baraka Bank Pakistan Limited
Dubai Islamic Bank Pakistan Limited
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

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 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 third quarter ended Mar 31, 2022.

During the third quarter, the Company achieved net sales of Rs. 2.31 billion, which indicates an increase of 94% (i.e. Rs. 2.31 B Vs Rs. 1.19 B) as compared to the corresponding quarter of last year.

The Company's exports grew at the rate of 90.18% during the nine months ended Mar 31, 2022 as compared to the same period last year (i.e. Rs. 7.89 B Vs Rs. 4.15 B). The Company achieved an earnings per share EPS of Rs. 51.11 per share against EPS of Rs. 32.40 per share for the corresponding period.

During the current year the Company availed Export Refinance Scheme of Rs. 500 M, which helped in increasing the working capital and in achieving the growth in export sales.

During the period under review your Company has earned a net profit after taxation of Rs. 868.92 M with an EPS of 51.11 per share. The net profit percentage during the third quarter remained at 11.77% as compared to the net profit percentage of 10.59% during the same quarter of the previous year.

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

FINANCIAL HIGHLIGHTS

NINE MONTHS ENDED MARCH 31, 2022

	Rupees in Thousands	
	2022	2021
Sales	7,887,857	4,147,605
Gross Profit	1,587,530	976,910
Profit from operations	934,625	576,264
Taxation	80,488	41,176
Profit after taxation	868,922	550,743
EPS	51.11	32.40

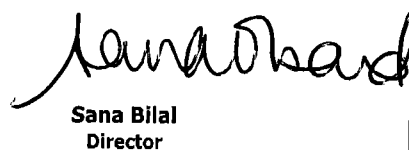
Such persistent growth and profitability would not have been possible without the blessings of Allah, your prayers and hard work and efforts of motivated staff and Management of the company. The order position from our buyers are satisfactory and the Company is hoping to continue such growth with profitability to achieve the unprecedented turnover and profitability numbers.

During the quarter, the company announced and distributed dividend (for the period Jul-Dec, 2021) @ 20% to its shareholders after the interval of ten years. However, the company aspires to continue achieving such growth and profitability numbers and sharing profits to its members in future also.

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


Sana Bilal
Director

Karachi:
Dated : 27th-APRIL 2022

TOWELLERS LTD

Condensed Interim Financial Position (Un-audited)
As at March 31, 2022

Note	UNAUDITED	AUDITED
	31-Mar-22	30-Jun-21
Rupees		

NON CURRENT ASSETS

Property, plant and equipment	5	3,130,960,019	1,810,525,586
Long term loans		14,811,371	19,501,496
Long term deposits		34,621,400	29,349,160
		3,180,392,790	1,859,376,242

CURRENT ASSETS

Stores, spare parts and loose tools		54,736,876	50,934,963
Stock in trade	6	1,310,744,603	1,101,733,164
Trade debts	7	1,309,275,043	452,800,676
Loans and advances		173,168,894	52,890,095
Trade deposits and short term prepayments		15,840,867	16,738,365
Other receivables		165,881,233	187,025,341
Income tax and sales tax refundable		391,489,166	275,128,248
Cash and bank balances	8	578,329,871	300,397,215
		3,999,466,553	2,437,648,067

TOTAL ASSETS

	7,179,859,343	4,297,024,309
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EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized capital			
25,000,000 (June 30, 2021: 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, 2021: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		2,793,574,942	1,928,578,690
Surplus on revaluation of property, plant & equipment		2,216,302,937	1,179,141,159
		5,179,877,879	3,277,719,850

NON CURRENT LIABILITIES

Deferred liabilities-Gratuity		190,043,003	174,793,710
		190,043,003	174,793,710

CURRENT LIABILITIES

Trade and other payables		1,337,421,592	844,510,750
Accrued mark-up on short term borrowing		411,222	-
Unclaimed dividend		585,945	-
Short term borrowing	9	471,519,702	-
		1,809,938,461	844,510,750

CONTINGENCIES AND COMMITMENTS

10

TOTAL EQUITY AND LIABILITIES

	7,179,859,343	4,297,024,309
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The annexed notes 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 : 27th-APRIL 2022

TOWELLERS LTD

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

For the 9 months ended March 31, 2022

	Nine Months Ended		Quarterly	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Rupees			
Net Sales	7,887,857,114	4,147,605,237	2,311,959,048	1,192,083,866
Cost of sales	(6,300,327,069)	(3,170,695,546)	(1,821,381,472)	(913,902,082)
Gross profit / (loss)	1,587,530,045	976,909,691	490,577,576	278,181,784
Distribution cost	(393,563,714)	(159,252,720)	(109,472,524)	(56,678,714)
Administrative expenses	(209,372,422)	(210,239,074)	(64,551,373)	(75,682,661)
Other operating expenses	(49,968,944)	(31,153,667)	(16,334,612)	(7,475,929)
	(652,905,080)	(400,645,461)	(190,358,509)	(139,837,304)
Profit / (loss) from operations	934,624,965	576,264,230	300,219,067	138,344,480
Other charges / income				
Other income	26,786,105	19,213,697	14,113,421	5,744,627
Finance cost	(12,001,143)	(3,558,246)	(3,974,868)	(2,046,445)
	14,784,962	15,655,451	10,138,553	3,698,182
Profit / (loss) before taxation	949,409,927	591,919,681	310,357,620	142,042,662
Provision for taxation	(80,487,522)	(41,176,479)	(38,186,400)	(15,819,990)
Profit for the period	868,922,405	550,743,202	272,171,220	126,222,672
Profit per share-basic and diluted	51.11	32.40	16.01	7.42

The annexed notes 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 : 27th-APRIL 2022

TOWELLERS LTD

Condensed Interim Statement of Comprehensive Income (Un-audited)
For the 9 months ended March 31, 2022

	Nine Months Ended		Quarter Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Rupees		Rupees	
Profit for the period	868,922,405	550,743,202	272,171,220	126,222,672
Other comprehensive income for the period	-	-	-	-
Items that will not be reclassified to profit and loss account	-	-	-	-
Surplus on revaluation of property plant and equipment	1,067,235,625	-	-	-
Total comprehensive Profit for the period	1,936,158,030	550,743,202	272,171,220	126,222,672

The annexed notes 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 : 27th-APRIL 2022

TOWELLERS LTD

Condensed Interim Statement of Changes in Equity (Un-audited)
For the 9 months ended March 31, 2022

Particulars	Share capital	Reserves			Total
		Capital Share premium	Revenue Unappropriated profit	Capital Reserve Revaluation Surplus	
Balance as at July 1, 2020	170,000,000	63,000,000	1,254,201,715	1,227,048,962	2,714,250,677
Profit for the period			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
Balance as at July 1, 2021	170,000,000	63,000,000	1,865,578,690	1,179,141,159	3,277,719,849
Profit for the period			868,922,405	-	868,922,405
Other comprehensive income for the period	-	-	-	1,067,235,625	1,067,235,625
Interim dividend of PKR 2.00 per share for the half year ended Dec 31, 2021	-	-	(34,000,000)	-	(34,000,000)
Transferred from surplus on revaluation of property, plant & equipment	-	-	30,073,847	(30,073,847)	-
Balance as at March 31, 2022	170,000,000	63,000,000	2,730,574,942	2,216,302,937	5,179,877,879

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


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosa Ji
Chief Financial Officer

Karachi:
Dated : 27th-APRIL 2022

TOWELLERS LTD

Condensed Interim Cash Flow Statement (Un-audited)
For the 9 months ended March 31, 2022

	Nine Months Ended	
	31-Mar-22	31-Mar-21
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	949,409,927	591,919,681
Adjustments for:		
Depreciation	83,515,483	69,690,488
Finance cost	12,001,143	3,558,246
(Gain) / loss on disposal of property, plant and equipment	(5,075,108)	(1,188,625)
Workers' profit participation fund	49,968,944	31,153,667
Provision for gratuity	22,775,455	27,219,267
	163,185,917	130,433,043
Profit before working capital changes	1,112,595,844	722,352,724
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	(212,813,353)	(209,174,653)
Trade debts	(856,474,368)	(23,078,025)
Loans and advances	(84,796,063)	(12,659,834)
Trade deposits and short term prepayments	(4,374,742)	(2,578,049)
Other receivables	21,144,108	(117,920,850)
	(1,137,314,418)	(365,411,411)
(Decrease) / increase in current liabilities		
Trade and other payables	475,679,864	69,483,375
Cash generated from operations	450,961,290	426,424,688
Finance cost paid	(12,001,143)	(3,558,246)
Taxes refund / (paid)	(196,848,437)	11,093,978
Long term loan paid	(30,792,611)	(3,521,800)
Workers' profit participation fund paid	(32,326,744)	(17,106,264)
Staff retirement benefits - gratuity net	(7,526,162)	(16,266,906)
Net cash generated from operating activities	171,466,193	397,065,450
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	12,150,000	10,135,000
Fixed capital expenditure	(343,789,184)	(83,051,277)
Net cash used in investing activities	(331,639,184)	(72,916,277)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	471,519,702	-
Dividend paid	(33,414,055)	-
Net cash used in financing activities	438,105,647	-
Net increase / (decrease) in cash and cash equivalents	277,932,656	324,149,173
Cash and cash equivalents at the beginning of the year	300,397,215	350,295,502
Cash and cash equivalents at the end of the period	578,329,871	674,444,675

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


Mehreen Obaid Agha
Chief Executive Officer


Sana Bial
Director


Adnan Moosaaji
Chief Financial Officer

Karachi:
Dated : 27th-APRIL 2022

TOWELLERS LTD

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

For the 9 months ended March 31, 2022

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, 2021.

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, 2022.

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, 2021.

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, 2021.

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, 2021.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		31-Mar-22	30-Jun-21
		Rupees	
Operating assets at net book value (note 5.1)	5.1	2,894,155,639	1,641,920,854
Capital work in progress-at cost (note 5.2)	5.2	236,804,379	165,227,045
		<u>3,130,960,019</u>	<u>1,807,147,899</u>

5.1 Following is the cost of operating fixed assets that have been added / disposed off during the period ended March 31, 2022:

	Additions / Transfers (at cost)		Disposals at net book value	
	31-Mar-22 (Unaudited)	30-Jun-21 (Audited)	31-Mar-22 (Unaudited)	30-Jun-21 (Audited)
Rupees				
Leasehold land	912,021,731	-	-	-
Building on leasehold land	113,972,182	-	-	-
Plant and machinery	302,498,085	47,121,777	6,263,810	8,966,470
Furniture and fixture	1,290,038	2,180,555	-	-
Office equipment	8,410,438	13,311,936	-	-
Software-Intangible	31,000	3,752,985	-	-
Vehicles	1,224,000	24,902,676	811,082	190,232
	<u>1,339,447,475</u>	<u>91,269,931</u>	<u>7,074,892</u>	<u>9,156,702</u>

5.2 CAPITAL WORK IN PROGRESS

Building	95,878,780	37,503,407
Plant and machinery	140,925,599	127,723,638
	<u>236,804,379</u>	<u>165,227,045</u>

TOWELLERS LTD

6 STOCK IN TRADE

Raw material	579,866,807	427,722,818
Work in process	413,625,054	448,502,819
Finished goods	317,252,741	225,507,527
	<u>1,310,744,602</u>	<u>1,101,733,164</u>

7 TRADE DEBTS

Secured - considered good		
Foreign debts	1,305,225,605	443,792,171
Unsecured - considered good		
Domestic debts	4,049,438	9,070,437
Allowance for ECL	(20,247)	(61,932)
	<u>1,309,254,796</u>	<u>452,800,675</u>

8 CASH AND BANK BALANCE

Cash in hand	1,591,376	540,646
Cash at banks	576,738,495	299,856,569
	<u>578,329,871</u>	<u>300,397,215</u>

9 SHORT TERM BORROWING

Islamic Export Re-Finance under Istisna Finance-Bank Al Habib	9.1	<u>471,519,702</u>
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9.1 During the year the Company availed short term Islamic Export Re-Finance under Istisna Finance from Bank Al Habib. The tenor of the facility is six months and is secured against equitable mortgage charge over fixed assets, hypothecation charge over stocks & receivables and lien over export documents. Interest rate @ SBP Rate + 0.75% is being charged during the tenor of the financing facility.

10 CONTINGENCIES AND COMMITMENTS

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

10.1 Contingencies

Bank guarantees issued in the ordinary course of business	14,350,018	14,350,018
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10.2 Commitments

There were no commitments as on period ended.

11 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	31,526,124

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 27th April 2022 by the board of directors of the company.

13 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 : 27th-APRIL 2022

TOWELLERS LTD

ڈائریکٹرز رپورٹ برائے حصص یافتگان

ہیڈ آف ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والی تیسری سہ ماہی کیلئے کمپنی کے غیر پڑتال شدہ مالی گوشواروں کے امر ایچ اے رپورٹ پیش کرنے میں مسرت محسوس کر رہے ہیں۔

تیسری مدت کے دوران کمپنی نے 2.31 بلین روپے کی خالص فروخت حاصل کی جو گزشتہ سال کی اسی مدت کے مقابلے میں (یعنی 2.31 بلین روپے) نسبت 1.19 بلین روپے (94 لاکھ اضافہ) کو ظاہر کرتا ہے۔

31 مارچ 2022 کو ختم شدہ نو ماہ کی مدت کے دوران کمپنی کی برآمدات میں گزشتہ سال کی اسی مدت کے مقابلے میں 90.18 لاکھ اضافہ ہوا (یعنی 7.89 بلین روپے) نسبت 4.14 بلین روپے (کمپنی کی فی حصص آمدنی گزشتہ سال کی اسی مدت کی 32.40 فی حصص کے مقابلے میں 51.11 روپے رہی۔

سال رواں کے دوران کمپنی کو 500 ملین روپے کی ایکسپورٹ ری ٹیکس یکم حاصل ہوئی جس سے نہ صرف دو رنگ پیکل ایکسپورٹ فروخت میں بھی اضافہ کرنے میں مدد ملی۔

زیر جائزہ مدت کے دوران کمپنی کا بعد از ٹیکس منافع 868.92 ملین روپے جبکہ فی حصص آمدنی 51.11 روپے رہی۔ تیسری سہ ماہی کے دوران خالص منافع کی شرح گزشتہ سال کی اسی مدت کے دوران 10.59 لاکھ کے مقابلے میں 11.77 لاکھ رہی۔

کمپنی کی مالی کارکردگی کے خدو خال درج ذیل ہیں

مالیاتی خدو خال

31 مارچ 2022 کو ختم ہونے والے نو ماہ

روپے ہزار میں		
2021	2022	
4,147,605	7,887,857	فروخت
976,910	1,587,530	مجموعی منافع
576,264	934,625	آپریشن سے حاصل منافع
41,176	80,488	ٹیکس کی ادائیگی
550,743	868,922	بعد از ٹیکس منافع
32.40	51.11	فی حصص آمدنی

اس طرح کی مسلسل ترقی اور منافع اللہ تعالیٰ کے ناص لفضل و کرم آپ کی دعاؤں اور انتھک محنت اور کمپنی کے پر عزم عملے اور انتظامیہ کی کوششوں کے بغیر ممکن نہیں تھی۔ ہمارے خریداروں کی طرف سے آرزو کی صورت حال اطمینان بخش ہے اور کمپنی امید کرتی ہے کہ غیر معمولی آمدن اور منافع کے حصول کیلئے کمپنی کی ترقی کا سلسلہ جاری رہے گا

سہ ماہی کے دوران، کمپنی نے دس سال کے وقفے کے بعد اپنے حصص یافتگان کیلئے 20 لاکھ کے حساب سے منافع تقسیم کا اعلان اور تقسیم کیا (برائے مدت جولائی - دسمبر، 2021)۔ تاہم کمپنی مستقبل میں بھی اس طرح کی ترقی اور منافع کے حصول اور اپنے اراکین کیلئے منافع کی تقسیم کی خواہش رکھتی ہے۔

اعلیٰ انشکھ

ہم اپنے شیئرز، ہولڈرز کی طرف سے مشکل وقت میں ہم پر اعتماد اور معافیت پرانے شکر گزار ہیں۔ ہم اپنے پبلر، پروڈکشن اور تمام ٹیم اراکین کے مددگار ترقی کے حصول اور کمپنی کی خوشحالی کیلئے عزم کو سراہتے ہیں

ثناء بلال
ڈائریکٹر

مہرین صبیحہ آغا
چیف ایگزیکٹو آفیسر

مورخہ: 27 اپریل 2022

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