



Towellers Limited

**Unaudited Accounts for the
Quarter Ended
September 30th, 2023**

www.towellers.com

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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 Rangoon wala	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 Rangoon wala	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 Ltd
Al Baraka Bank Pakistan Limited
Dubai Islamic Bank Pakistan Ltd

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 first quarter ended September 30, 2023.

By the grace of Almighty Allah, the Company's export sales have grown by 26.7% as compared to the same period last year. Sales during the first quarter remained at Rs. 3.9 B as compared to Rs. 3.08 B during the corresponding period. However, higher profit margins could not be sustained in the current period due to increased input costs including gas and electricity rates. The profit after tax is Rs. 503.99 M as compared to Rs. 751.27 M during the same period last year.

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

FINANCIAL HIGHLIGHTS

FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Rupees in Thousands	
	2023	2022
Sales	3,899,691	3,078,616
Gross Profit	700,218	953,887
Profit from operations	485,877	762,826
Taxation	76,013	49,398
Profit after taxation	503,993	751,273

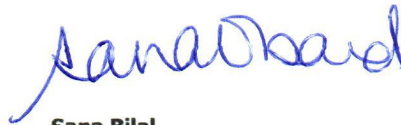
International economic conditions could be uncertain in case Gaza and Ukraine war escalates, which could impact oil prices besides the market conditions across the globe. Uncertain domestic political and economic conditions are already affecting the business in general. High cost of power, gas and labor, PKR appreciation and increased inflation is taking its toll also. With these conditions prevailing, we fear that sustaining profit margins will be more challenging in the near future. However, the Company is striving hard to keep growing its exports with healthy margins.

Acknowledgment

Directors would like to extend their gratitude towards shareholders and staff for their continued support and appreciation.



Mehreen Obaid Agha
Chief Executive Officer



Sana Bilal
Director

Karachi:
Dated : 27th-October 2023

TOWELLERS LTD

Condensed Financial Position (Un-audited)
As at September 30, 2023

	UNAUDITED	AUDITED
Note	30-Sep-23	30-Jun-23

Rupees

NON CURRENT ASSETS

Property, plant and equipment	5	3,306,432,208	3,250,949,018
Long term loans		19,880,874	19,250,419
Long term deposits		44,271,116	44,271,116
		3,370,584,198	3,314,470,553

CURRENT ASSETS

Stores, spare parts and loose tools		68,869,555	64,105,747
Stock in trade		1,185,727,688	1,624,943,040
Trade debts	6	1,701,479,659	2,246,392,773
Loans and advances		171,321,417	115,391,739
Trade deposits and short term prepayments		23,798,717	30,235,574
Other receivables		183,249,224	150,613,511
Income tax and sales tax refundable		677,717,075	653,109,675
Short term investment		1,072,622,898	1,352,260,073
Cash and bank balances		1,954,540,482	430,403,190
		7,039,326,715	6,667,455,322

TOTAL ASSETS

10,409,910,913 **9,981,925,875**

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized capital			
25,000,000 (June 30, 2023: 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, 2023: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		5,773,455,627	5,255,653,945
Surplus on revaluation of property, plant & equipment		2,121,283,091	2,135,091,527
		8,064,738,718	7,560,745,472

NON CURRENT LIABILITIES

Deferred liabilities-Gratuity		174,082,661	176,081,034
Long term loan from banking company		37,823,872	9,108,513
		211,906,533	185,189,547

CURRENT LIABILITIES

Trade and other payables		2,130,671,328	2,233,290,570
Unclaimed dividend		1,455,770	1,459,345
Accrued markup		-	102,377
Current portion of long term loan from banking company		1,138,564	1,138,564
		2,133,265,662	2,235,990,856

CONTINGENCIES AND COMMITMENTS

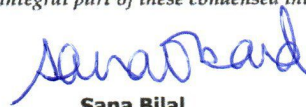
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TOTAL EQUITY AND LIABILITIES

10,409,910,913 **9,981,925,875**

The annexed notes 1 to 10 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-October 2023

TOWELLERS LTD

Condensed Interim Statement of Profit and Loss Account For the quarter ended September 30, 2023

	30-Sep-23	30-Sep-22
	Rupees	
Net Sales	3,899,691,343	3,078,615,839
Cost of sales	(3,199,473,549)	(2,124,728,821)
Gross profit / (loss)	700,217,794	953,887,018
Distribution cost	(85,585,966)	(70,106,634)
Administrative expenses	(94,626,788)	(76,018,017)
Other operating expenses	(34,128,244)	(44,936,473)
	(214,340,998)	(191,061,124)
Profit / (loss) from operations	485,876,796	762,825,894
Other charges / income		
Other income	98,662,149	47,360,705
Finance cost	(4,533,216)	(9,515,218)
	94,128,933	37,845,487
Profit / (loss) before taxation	580,005,729	800,671,381
Provision for taxation	(76,012,483)	(49,398,113)
Profit / (loss) for the period	503,993,246	751,273,268
Profit per share-basic and diluted	29.65	44.19

The annexed notes 1 to 10 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-October 2023

TOWELLERS LTD

Condensed Interim Statement of Comprehensive Income (Un-audited)
For the quarter ended September 30, 2023

	Quarter ended	
	30-Sep-23	30-Sep-22
	Rupees	
Profit / (loss) for the period	503,993,246	751,273,268
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	-	-
Total comprehensive Profit for the period	503,993,246	751,273,268

The annexed notes 1 to 10 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-October 2023

TOWELLERS LTD

Condensed Interim Statement of Changes in Equity (Un-audited)
For the quarter ended September 30, 2023

Particulars	Share capital	Reserves				Total
		Capital		Revenue	Capital Reserve	
		Share premium	Capital Expenditure	Unappropriated profit	Revaluation Surplus	
Balance as at July 1, 2022	170,000,000	63,000,000	-	2,967,788,603	2,190,325,270	5,391,113,873
Profit for the period	-	-	-	751,273,268	-	751,273,268
Other comprehensive income for the period	-	-	-	-	-	-
Transferred from surplus on revaluation of property, plant & equipment	-	-	-	14,012,879	(14,012,879)	-
Balance as at September 30, 2022	170,000,000	63,000,000	-	3,733,074,750	2,176,312,391	6,142,387,141
Balance as at July 1, 2023	170,000,000	63,000,000	-	5,192,653,945	2,135,091,527	7,560,745,472
Profit for the period	-	-	-	503,993,246	-	503,993,246
Reserve for capital expenditure	-	-	4,000,000,000	(4,000,000,000)	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Transferred from surplus on revaluation of property, plant & equipment	-	-	-	13,808,436	(13,808,436)	-
Balance as at September 30, 2023	170,000,000	63,000,000	4,000,000,000	1,710,455,627	2,121,283,091	8,064,738,718

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.


Mehreen Obaid Agha
Chief Executive Officer


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

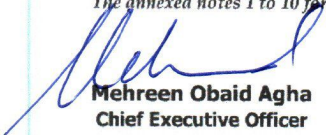
Karachi:
Dated : 27th-October 2023

TOWELLERS LTD

Condensed Interim Cash Flow Statement (Un-audited) For the quarter ended September 30, 2023

	Quarter ended	
	30-Sep-23	30-Sep-22
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	580,005,729	800,671,381
Adjustments for:		
Depreciation	37,274,035	31,629,796
Finance cost	4,533,216	9,515,218
(Gain) / loss on disposal of property, plant and equipment	(2,186,349)	(1,082,889)
Workers' profit participation fund	30,526,617	42,280,393
Sindh workers' welfare fund	3,601,627	2,656,080
Provision for gratuity	11,719,824	12,810,744
	85,468,970	97,809,342
Profit before working capital changes	665,474,699	898,480,722
(Increase) / decrease in current assets		
Stock, stores, spare parts and loose tools	434,451,544	295,887,711
Trade debts	544,913,114	285,751,006
Loans and advances	(55,929,678)	(21,558,987)
Trade deposits and short term prepayments	6,436,857	1,999,967
Other receivables	(32,635,713)	(87,830,364)
	897,236,124	474,249,333
(Decrease) / increase in current liabilities		
Trade and other payables	(136,747,486)	7,717,375
Cash generated from operations	1,425,963,337	1,380,447,431
Finance cost paid	(4,635,593)	(10,437,884)
Taxes refund / (paid)	(100,619,883)	52,737,410
Long term loan paid	(630,455)	2,058,325
Staff retirement benefits - gratuity net	(13,718,197)	(11,252,241)
Net cash generated from operating activities	1,306,359,209	1,413,553,041
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	2,260,000	1,240,000
Short term investments	279,637,175	(682,631,153)
Fixed capital expenditure	(92,830,876)	(52,697,431)
Net cash used in investing activities	189,066,299	(734,088,584)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings - net	28,715,359	(135,657,577)
Dividend paid	(3,575)	-
Net cash used in financing activities	28,711,784	(135,657,577)
Net increase / (decrease) in cash and cash equivalents	1,524,137,292	543,806,880
Cash and cash equivalents at the beginning of the year	430,403,190	663,671,503
Cash and cash equivalents at the end of the period	1,954,540,482	1,207,478,383

The annexed notes 1 to 10 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-October 2023

TOWELLERS LTD

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

For the quarter ended September 30, 2023

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, 2023.

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, 2023.

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, 2023.

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, 2023.

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, 2023.

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	30-Sep-23	30-Jun-23
		----- Rupees -----	-----
Operating assets	5.1	3,142,058,536	3,105,865,656
Capital work in progress-at cost	5.2	164,373,672	145,083,362
		<u>3,306,432,208</u>	<u>3,250,949,018</u>

TOWELLERS LTD

5.1 ASSETS OWNED BY THE COMPANY

	(Un-audited)	(Audited)
	30-Sep-23	30-Jun-23
	----- Rupees -----	
Net book value at the beginning of the period/year	3,105,865,656	2,894,734,075
Additions / Surplus on revaluation during the period/year		
Leasehold land	-	-
Building on leasehold land	-	69,307,485
Plant and machinery	47,909,600	215,966,705
Furniture and fixture	-	471,316
Office equipment	3,644,966	10,435,352
Solar plant	2,900,000	1,467,000
Vehicles	19,086,000	49,052,987
	73,540,566	346,700,845
Net book value of assets disposed during the period/year	(73,651)	(538,457)
Depreciation for the period/year	(37,274,035)	(135,030,807)
Net book value at the end of the period/year	3,142,058,536	3,105,865,656

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-23	30-Jun-23
	----- Rupees -----	
Building	97,859,002	78,666,692
Plant and machinery	66,514,670	66,416,670
	164,373,672	145,083,362

6 TRADE DEBTS

	(Un-audited)	(Audited)
	30-Sep-23	30-Jun-23
	----- Rupees -----	
Secured - considered good		
Foreign debts	1,719,273,725	2,260,569,111
Unsecured - considered good		
Domestic debts	2,764,649	6,382,377
	2,764,649	6,382,377
	1,722,038,374	2,266,951,488
Allowance for ECL	(20,558,715)	(20,558,715)
	1,701,479,659	2,246,392,773

7 CONTINGENCIES AND COMMITMENTS

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

	(Un-audited)	(Audited)
	30-Sep-23	30-Jun-23
	-----Rupees -----	

7.1 Contingencies

Bank guarantees issued in the ordinary course of business	22,000,000	16,231,418
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TOWELLERS LTD

7.2 Commitments

There were no commitments as on period ended.

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	16,798,927

9 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **27th October 2023** by the board of directors of the company.

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

Karachi:
Dated : 27th-October 2023

BOOK POST

UNDER POSTAL CERTIFICATE

If undelivered, please return to:

TOWELLERS LIMITED

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