

TOWELLERS LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2026



VISION

Be a global leader in the production of premium textile products.

MISSION

Drive growth through sustainable and innovative manufacturing, where we put our customers and stakeholders first.

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TOWELLERS LIMITED

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
Mr.	Zeeshan K. Sattar	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

Mr.	Niaz Muhammad	Chairman
Mrs.	Mehreen Obaid Agha	Member
Mr.	Valy Tariq Rangoon wala	Member

CHIEF FINANCIAL OFFICER

Mr.	Adnan Moosaji
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COMPANY SECRETARY

Mr.	M. Farhan Adil
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STATUTORY AUDITORS

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

BANKERS

Soneri Bank Limited
Allied Bank Limited
Bank Al Habib Limited
MCB Bank Limited
Faysal Bank Ltd
Al Baraka Bank Pakistan Limited
Dubai Islamic Bank Pakistan Ltd
Bank Alfalah
Habib Bank Ltd
Habib Metropolitan Bank Ltd
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

Plot No. 14 & 17/1 Sector 12-D, N.K.I.A. Plot No. 8, 9 & 10, Sector 12-C, N.K.I.A., Karachi, Plot No. 25, Sector 12A N.K.I.A Karachi, Plot No. 48, Sector - 28, Korangi Industrial Area, Korangi Karachi,

TOWELLERS LIMITED

TOWELLERS LIMITED **Notice of Annual General Meeting.**

Notice is hereby given that the 53rd Annual General Meeting of the Shareholders of Towellers limited will be held on Wednesday October 28th 2026 at 3:30 p.m at the Registered Office of the Company at W.S.A. 30-31, Block #1, Federal B Area Karachi, to transact the following business:

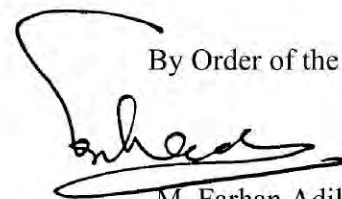
ORDINARY BUSINESS:

1. To confirm the minutes of the 52nd Annual General Meeting held on October 28th 2025.
2. To receive, consider and adopt the Audited financial statement for the year ended June 30th 2026 together with the Director's and Auditor's Reports and Chairman review report thereon.
3. To appoint Auditors for the year ending June 30, 2027 and fix their remuneration.

ANY OTHER BUSINESS:

4. To transact any other business with the permission of the Chair.

By Order of the Board



M. Farhan Adil
Company Secretary

Karachi: September 28th 2026.

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NOTES:

1. The ordinary Share Transfer Books of the Company will remain closed from October 21st 2026 to October 28th 2026 (both days inclusive). Physical transfers/CDS transaction IDs received in all respect of our Share Registrar namely M/s THK Associates (Pvt) Limited, 32-C, Jami Commercial Street 2, D.H.A Phase V11, Karachi, 75950 by the close of business on Tuesday October 20th 2026 for purpose of attending and voting at the Annual General Meeting.

2. A member entitled to attend, speak and vote at this meeting may appoint any other member as his/her proxy to do the aforesaid. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a Notarial attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the company. The proxy form in English and Urdu languages is attached. The same is also available on the Company's website: <https://www.towellers.com>.

Members through book entry system under Central Depository Company of Pakistan Limited, are advised to must bring their original National Identity Cards along with copy of their particulars of CDC Account duly authenticated by the concerned Participant/Investor Account Services for verification and also follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan under Circular No. 1 of 2000:

A. For Attending the Meeting

- In case of Individuals, the account holder and/ or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC along with copy of CDC Account Registration details duly authenticated by the concerned Participant/Investor Account Services at the time of attending the Meeting.
- In case of corporate entity, the person attending the meeting on behalf of the corporate entity must produce Board Resolution duly certified by the Directors and/or a duly notarized power of attorney in his favor along with copy of proxy form submitted with the Company, the Board Resolution/Power of Attorney must contain specimen signature of the person attending meeting.

B. For Appointing Proxies

- In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- The proxy form shall be witnessed, whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC of beneficial owners, proxy holder and witnesses shall be furnished with the proxy form.
- The proxy shall produce his copy of CNIC at the time of the Meeting.
- In case of corporate entity, Board Resolution duly certified by the Directors and/or a duly notarized power of attorney in favor of proxy holder along with proxy form to the Company the Board Resolution/Power of Attorney must contain specimen signature of proxy holder.

3. To attend the meeting virtually, a member is required to send an email to farhan@towellers.com with email address, name folio/CDC #, CNIC # of shares held in his/her name with subject "Registration for AGM of Towellers limited. A video link to join the meeting will be shared with members whose emails containing all the required particulars, are received not later than 48 hours before the time of the meeting.

4. The Financial Statements of the Company for the year ended June 30, 2026, along with reports have been placed on the website of the Company and can be viewed through the below link/QR Code. www.towellers.com QR



<https://towellers.com/securedir/wp-content/uploads/2026/09/June-2026.pdf>

5. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary or Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the document to the shareholders on demand, within one week of such demand.

In compliance with section 223(6) of the Act and SECP Notification vide SRO 787(1)/2014 dated September 8, 2014, soft copies of the Annual Report 2026 and Notice of Annual General Meeting are being emailed to those members whose email addresses are available with the Company. Other members who wish to receive the Annual Report 2026 via email may file an application as per the form provided on the Company's website.

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6. Members who hold shares certificate should submit any change in registered address to the Share Registrar members who hold shares in CDC and /or CDC sub-account should submit any change in address to the CDC and/or to the concerned participants.

Pursuant to section 131 of the Companies Act, 2017 and Regulation #7 of the Companies Regulation 2024 all CDC and Physical shareholders are requested to provide or update their email address and Mobile numbers with the Company/Share Registrar.

7. Under the provision of Section 242 of the Companies Act, 2017, listed companies are required to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Accordingly, the Shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website and send the duly signed form along with a copy of CNIC/NTN to our Share Registrar in case of physical shares. In case shares held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholders broker/participant/CDC account services. In case of non-receipt of IBAN detail, the Company will be constrained to withhold payment of dividend under Companies (Distribution of Dividend) Regulations, 2017.

8. Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate ten percent (10%) or more shareholding residing at geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate Members regarding venue of video conference facility at least five (5) days before the date of the Meeting along with complete information necessary to enable them to access such facility.

9. As per SECP directives, the dividend of shareholders, whose valid CNICs are not available with the share registrar/company, may be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs, if already not provided, to the share registrar without any further delay.

10. Tax on dividend income will be deducted as per applicable tax rates for filer and non-filers. To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 30%, shareholders are advised to make sure their names are entered into ATL before the date for payment of any future cash dividend otherwise tax on their cash dividend will be deducted @30% instead of 15%.

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of principal shareholders and joint-holders in respect of shares held by them, to the Share Registrar M/s THK Associates Pvt Ltd Plot # 32-C, Jami Commercial street # 2, D.H.A Phase VII, Karachi, Email: sfc@thk.com.pk.

Folio / CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

Withholding Tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Registrar by close of business on the first day of book closure.

11. Shareholders, who by any reason, could not claim their dividend /shares, if any, are advised to contact our Share Registrar M/s THK Associates Pvt Ltd to collect. enquire about their unclaimed dividend /shares, if any. Members, whose dividends are still unclaimed, are hereby once again advised to approach the Company/Share Registrar to claim their outstanding dividend amounts. An updated list of unclaimed dividends is available on the Company's website.

12. We once again strongly advise members of the Company, in their best interest to convert their physical shares into book-entry (scripless) form at earliest. The SECP through its letter # CSD/ED/Misc/2016-639-640 dated March 26, 2021.

13. The Company does not distribute gift in any form to its members in the general meetings.

14. For any query/information, the shareholders may contact Corporate Affairs Department, Phone +92-324-8282371/+92-301-8240064, Email: farhan@towers.com or to the Company's Shares Registrar, M/s THK Associates Pvt Ltd, +92(021) 111-000-322. Email: sfc@thk.com.pk.

CHAIRPERSON'S REVIEW REPORT

I am pleased to present this Review Report to the shareholders of the Company, highlighting the overall performance of the Board of Directors and the key achievements and activities undertaken during the year.

The Board has carried out its responsibilities in a professional and effective manner, focusing on setting growth targets, exploring new markets, acquiring new customers, and strengthening relationships with existing customers through consistent delivery of high-quality products. The Chief Executive has kept the Board regularly informed by providing updates and reports on business plans, operational performance, cash flows, financial matters, and risk management.

Business Review and Outlook

The financial year 2026 was marked by a challenging global and regional environment. The global economy grew unevenly, with tariff measures, trade tensions and regional conflicts disrupting supply chains. The escalation of the US-Iran conflict and the resulting disruption to shipping through the Strait of Hormuz late in the year added to the volatility in energy prices, freight charges and insurance costs. Pakistan's macroeconomic environment remained broadly stable, but tight monetary and fiscal measures continued to restrain overall economic momentum. Businesses faced persistent cost pressures, including high energy tariffs, higher freight costs, an increase in minimum wages and a heavier tax burden.

The international apparel and textile market remained subdued. A global slowdown, mild demand for apparel products and intense price competition among regional exporters led to lower order volumes and pressure on selling prices. Against this backdrop, the Company's net sales declined to Rs. 11.14 billion from Rs. 12.35 billion in the previous year. The Board of Directors and management continued their efforts to retain customers and protect the Company's market position under these conditions.

The lower profitability reflects several factors discussed earlier, including intense pricing competition in global markets and the overall rise in the cost of doing business. The profit for the year was also affected by an additional provision for super tax relating to prior years, which the Company recognized following the court's decision on the matter during the year.

Looking ahead, shifting global trade flows under the new tariff policies may open opportunities for export diversification. The Company will continue to focus on securing more export business at better margins, improving cost and energy efficiency, and strengthening its product range and customer base.

Outlook and Future Direction

The Board of Directors remains fully committed to driving the Company's growth and profitability in the coming years through focused effort and sound strategic direction. Alongside continuous process improvements, the Board has placed strong emphasis on sustainability, including workplace compliance, employee welfare, women's empowerment and community engagement. The Company is also expanding its operations. Development work has continued on the additional factory plots acquired earlier, and one of the factories under construction has now been made operational, adding to the Company's production capacity. I extend my best wishes to the Board of Directors and the management team for continued success in their endeavors.

Dividend

In view of the lower profitability for the year and the cash flow constraints arising from the strategic investments in factory land and buildings, the Board has decided not to announce any dividend for the year. These investments are expected to strengthen the Company's foundation and support improved returns in the future. The Board sincerely thanks the members for their understanding and patience, and greatly appreciates their continued support and confidence in the Company.

In conclusion, I would like to express my sincere appreciation to the Board of Directors for their dedicated efforts and sound guidance in steering the Company through these challenging times. I extend my best wishes to them, both personally and on behalf of all the members of the Company, for their continued success.



Mahjabeen Obaid
Chairperson

Karachi: September 28th 2026

TOWELLERS LIMITED

DIRECTORS REPORT TO THE MEMBERS

On behalf of the Board of Directors, it is our pleasure to place before you the Audited Financial Statements of your Company for the year ended June 30th, 2026. These Financial Statements have been prepared in accordance with the requirements of International Accounting Standards and the provisions of the Companies Act, 2017 under section 227.

ECONOMIC OVERVIEW

Global Economy

The global economy recorded uneven growth and heightened volatility during the fiscal year. Regional conflicts continued to disrupt supply chains and drove fluctuations in energy prices, freight charges and insurance premiums. Escalating tariff measures, US-China trade tensions and the ongoing Russia-Ukraine conflict characterized much of the year. The situation worsened later in FY26 with the escalation of the US-Iran conflict and the resulting disruption to shipping through the Strait of Hormuz. Elevated interest rates, trade policy uncertainty and protectionist measures further dampened global economic activity. The resulting cost pressures interrupted the global disinflationary trend, with the IMF projecting global inflation of 4.7% for 2026.

Pakistan Economy

In FY2025-26, Pakistan continued its macroeconomic stabilization under the IMF-supported reform program, despite a difficult external environment. The country maintained a stable exchange rate, built up its foreign exchange reserves, held its external account steady and further improved fiscal discipline. Inflation, however, moved higher during the year, with average CPI inflation of 7.05% against 4.49% in the previous year, and year-on-year inflation reaching 11.1% by June 2026. The policy rate stood at 11.5% at year-end. Towards the end of the year, rising geopolitical tensions and disrupted regional trade caused a sharp increase in global fuel, freight and insurance costs. Provisional real GDP growth improved to 3.7%, supported by broad-based expansion in the services, agriculture and industrial sectors. Sound fiscal and monetary management and strong remittance inflows strengthened both domestic and external conditions.

The recovery nevertheless remained constrained by weak investment, high energy costs and persistent structural challenges. The trade deficit widened considerably as the import bill rose by 7.89%, while exports declined by 5.97% to US\$ 30,126 million from US\$ 32,040 million a year earlier. Workers' remittances, which grew by 8.6% to a record US\$ 41.6 billion in 2026, provided a substantial cushion against this widening gap.

Textile and Garment Industry Overview

Pakistan's apparel and textile sector recorded subdued performance during FY26, reflecting weak global demand, sustained energy and input cost pressures, heightened international competition, and ongoing trade and geopolitical uncertainty. Textile exports registered a marginal increase of 0.26% to US\$ 17.93 billion, indicating that the sector was able to largely sustain its export base despite an adverse external environment. While the sector demonstrated resilience in maintaining export volumes and value, the near-term outlook remains dependent upon a recovery in key international markets, improved energy cost competitiveness, exchange rate stability, and the sector's ability to enhance value addition and progress towards higher-margin apparel and textile products.

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COMPANY'S FINANCIAL AND OPERATIONAL PERFORMANCE

During FY2026, the Company's net sales declined to Rs. 11.14 billion from Rs. 12.35 billion in the preceding year, a decrease of 9.8%. The decline reflects subdued demand in key export markets and pricing pressure arising from a highly competitive international environment, against the backdrop of a stagnant textile industry. The Company's profitability was also affected by higher operating costs.

The Company recorded a net profit after tax of Rs. 150.88 million (FY2025: Rs. 286.71 million), translating into earnings per share of Rs. 8.88 (FY2025: Rs. 16.87). Margins remained under pressure due to a combination of factors, including increased freight costs, persistently high energy tariffs, an upward revision in minimum wages, and a higher overall tax burden. Stiff competition from regional exporters, together with domestic inflationary pressures, further added to the cost of doing business. In addition, geopolitical tensions and trade uncertainty, including disruptions to international shipping routes, weighed on global demand, logistics costs and buyer sentiment.

Following is the summarized P&L for a quick review:

	Rupees in Thousands	
	30-JUN-2026	30-JUN-2025
Sales (Net)	11,135,640	12,347,002
Gross Profit	1,464,329	1,158,059
Distribution Cost	535,126	499,565
Administrative Expenses	551,872	484,801
Other Operating Expenses	35,278	39,623
Other Income	89,751	131,460
Finance Cost	41,410	29,641
Profit Before Taxation	390,395	235,889
Profit After Taxation	150,882	286,856
Earning Per Share	8.88	16.87

Despite these challenges, the Company remained profitable, reflecting its operational resilience and its ability to manage an increasingly difficult operating environment. The Board, management team and workforce continue to focus on securing additional export business at improved margins, with a view to strengthening the Company's financial performance in the coming period.

SUSTAINABILITY, INCLUSION AND EMPOWERMENT INITIATIVES

During FY2026, the Company continued to strengthen its commitment to environmental sustainability, workplace inclusion and community development.

On the environmental front, the Company commissioned a biomass boiler to reduce its reliance on fossil fuels. It also installed an additional 340 kW of solar power capacity across its factories, supporting a 40% reduction in its carbon footprint, and set up a reverse osmosis (RO) plant at its factory to improve water management.

On inclusion and empowerment, the Company participated in the Women's Leadership Training Workshop organized by LUMS in collaboration with GIZ, which focused on building leadership capacity, strategic thinking and confidence among women in the workplace. The Company also sponsored a study tour to Sri Lanka for its staff to learn about women's

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empowerment practices. Further, the Quality Management System (QMS) team engaged with the KDSP Learning Center under the "Education for Life – Year 3 Thesis Project", reaffirming the Company's support for inclusive education and the empowerment of persons with disabilities.

Together, these initiatives reflect the Company's vision of a responsible, inclusive and sustainable business model aligned with international best practices.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the section 227 (2) (f) of the Companies Act, 2017 as at June 30, 2026 is annexed to this report.

DIRECTOR TRAINING

The Company takes keen interest in the professional development of its Board Members. Directors are kept updated about relevant laws and current matters regarding Corporate Governance and other regulatory changes. Five directors of the company have completed certification from Pakistan Institute of Corporate Governance (PICG) in compliance with the CCG rules.

DIVIDEND

In view of the lower profitability recorded during the year and the Company's cash flow constraints, the Board of Directors has decided not to recommend any dividend for the year ended June 30, 2026. These constraints are attributable in part to the heavy capital expenditure undertaken by the Company in the recent past, which has limited the cash available for distribution to shareholders.

The Board remains confident that these investments will strengthen the Company's operational performance, competitiveness and growth prospects, and will translate into improved returns in the coming years. The Board sincerely thanks the shareholders for their patience and continued support as the Company focuses on creating long-term value.

EARNINGS PER SHARE

The basic and Diluted earnings per share After tax is Rs. 8.88 (2025-Rs. 16.87)

CHAIRPERSON'S REVIEW

The Chairperson's review is part of this annual report and directors of Company fully endorse contents therein.

AUDITORS

The present auditors M/s Mushtaq and Co. Chartered Accountants retire and offer themselves for re-appointment. The board of Directors on recommendation of Audit Committee proposes the re-appointment of Mushtaq and Co. Chartered Accountants for the year ending June 30, 2027.

ACKNOWLEDGEMENT

The Directors wish to express their sincere appreciation to all stakeholders for their continued support, confidence, and encouragement. The Directors also acknowledge and value the commitment, dedication, and hard work of the Company's employees and workers, whose contributions continue to be fundamental to the Company's success. Above all, the Directors extend their heartfelt gratitude to the shareholders for their unwavering trust and confidence in the Company.

September 28, 2026



Mehreen Obaid Agha
Chief Executive Officer

Karachi
September 28, 2026



Sana Bilal
Director

MUSHTAQ & CO.
CHARTERED ACCOUNTANTS*Independent Auditor's Report to The Members of Towellers Limited***Report on the Audit of the Financial Statements***Opinion*

We have audited the annexed financial statements of Towellers Limited, which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the Key audit matters:

S. No.	Key audit matter	How the matter was addressed in audit
1	STAFF RETIREMENT BENEFITS (GRATUITY) Refer to note no. 21 to the audited financial statements. The Company operates an unfunded gratuity	We evaluated the qualification of actuary and assessed, whether the assumptions used in valuation report for calculating the gratuity plan liabilities, including salary increases, inflation, mortality rate

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS



Independent Auditor's Review Report

To the members of Towellers Limited on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulation, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Towellers Limited ("the Company") for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, except for the below mentioned instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Following instances of non-compliance with the requirements of the Code were observed which are stated as under:

Requirement	Regulation	Non-Compliances
The Board constitute the anti-harassment policy to safeguard the rights and well-being of employees	10	Currently anti-harassment policy and its functions are being performed by the Human Resource Committee according to the Company's Policy
Role of board to address sustainability risk and opportunities.	10A	The board has taken appropriate measures to understand and address the principal as well as emerging sustainability risks and opportunities relevant to the company and its business, including climate-related risks, to assess their potential financial and operational impacts and implement strategies.
Requirement to attain DTP Certification.	19	Only one director training is pending and will be completed soon in future.
Nomination Committee	29(1)	The function of the Nomination Committee is being performed by the board.
Risk Management Committee.	30(1)	Presently, the HR committee is performing the role of RMC.
Disclosure of significant policies on website	35	The disclosure of significant policies on website is mandatory.
Environmental, social and governance (ESG)	35(1)	Currently, the Board is responsible for overseeing and guiding the Company's Environmental, Social and Governance (ESG) initiatives. The Company is improving the implementation according to SECP requirement.

Lahore:
Date: September 28, 2026
UDIN: CR202610724ib4rVSNHn

Mushtaq & Co.

MUSHTAQ & CO.
Chartered Accountants
Engagement Partner:
Nouman Arshad, ACA



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CHARTERED ACCOUNTANTS



scheme, having net liability of Rs.206.86 million, which is significant for the Company. The valuation of liability requires judgment and technical expertise in choosing appropriate assumptions. Changes in a number of the key assumptions, including: – salary increase and inflation; – discount rate; and – Mortality. All can have a material impact on the calculation of the liability. The Company uses external actuaries to assist in assessing these assumptions and calculations of these liabilities. The use of these actuaries increases the risk of error as data is passed to third parties for analysis and calculation purposes.	and discount rate assumptions, were reasonable and consistent with based on industry data. We were satisfied that the rates used fell within acceptable ranges. We understood and tested key controls over the completeness and accuracy of data extracted and supplied to the Company's actuary for valuation. We also performed sample testing to agree underlying employee data, supporting HR documentation and assessed the appropriateness of the closing liability based on known movements and assumptions. We also read and assessed the disclosures made in the financial statements, including disclosures of the assumptions, and found them to be appropriate.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

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CHARTERED ACCOUNTANTS



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

MUSHTAQ & CO.
CHARTERED ACCOUNTANTS



Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Nouman Arshad, ACA.

Mushtaq & Co

MUSHTAQ & CO.
Chartered Accountants



Lahore.
Dated: September 28, 2026
UDIN: AR202610724TY03pPJbS

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019.**NAME OF COMPANY TOWELLERS LIMITED****YEAR ENDED JUNE 30th 2026**

The Company has complied with the requirements of the listed Companies Code of Corporate Regulations 2019 in the following manner:

1. The total number of directors are eight as per the following:

Male	4
Female	4

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Director	Muhammad Sarfraz Niaz Muhammad
Non-Executive Directors	Mahjabeen Obaid Zeeshan K. Sattar Valy Tariq Rangoonwala Hadeel Obaid
Executive Directors	Mehreen Obaid Agha Sana Bilal

Independent and Executive directors have requisite knowledge and competencies to discharge their duties, therefore, fraction of (2.67) has not been rounded up.

- 3 The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4 The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company alongwith its supporting policies and procedures.
- 5 The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6 All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act 2017 and these Regulations.

TOWELLERS LIMITED

- 7 The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- 8 The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and Regulations.
- 9 Out of total eight Directors five of them have obtained certificate of Directors' training program and two Directors are exempt from such training program requirement as per the Listed Companies (Code of Corporate Governance) Regulations, 2019. Further, the Company will take adequate measures for the training of the remaining Director.
- 10 The Board has approved appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- 11 Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- 12 The board has formed committees comprising of members given below:

a) Audit Committee

- | | |
|---------------------|----------|
| - Muhammad Sarfraz | Chairman |
| - Zeeshan K. Sattar | Member |
| - Hadeel Obaid | Member |

b) HR and Remuneration Committee

- | | |
|--------------------------|----------|
| - Niaz Muhammad | Chairman |
| - Mehreen Obaid Agha | Member |
| - Valy Tariq Rangoonwala | Member |

Separate Nomination Committee, Risk Management Committee, and Sustainability Committee, as required under non-mandatory regulations 29, 30, and 10A respectively, are not constituted. The functions of the Nomination Committee and the Risk Management Committee are being dealt with by the Human Resource and Remuneration Committee, which is headed by the CEO who appraises the Board accordingly. The functions of the Sustainability Committee are currently being overseen by the Board itself.

- 13 The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14 The frequency of meetings of the committees were as per following:

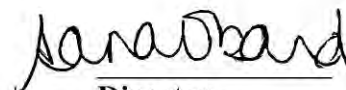
Audit Committee	Four quarterly meetings during the financial year ended June 30, 2026.
HR and Remuneration Committee	One meeting for the financial year ended June 30, 2026.
- 15 The Board has set up an effective internal audit function which is considered suitably qualified and experience for the purpose and is conversant with the policies and procedures of the Company.

TOWELLERS LIMITED

- 16 The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
- 17 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
- 18 We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
- 19 Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33, and 36 are mentioned below.

Requirement	Regulation Number	Explanation
The Board constitute the anti-harassment policy to safeguard the rights and well-being of employees	10	Currently, anti-harassment policy and its functions are being performed by the Human Resource Committee according to the Company's Policy.
Role of the Board and its members to address Sustainability Risks and Opportunities	10(A)	The board has taken appropriate measures to understand and address the principal as well as emerging sustainability risks and opportunities relevant to the company and its business, including climate-related risks and to assess their potential financial and operational impacts and implement strategies.
Requirement to attain DTP Certification.	19	Only one director training is pending and will be completed soon in future.
Nomination Committee	29(1)	The function of the Nomination Committee is being performed by the board.
Risk Management Committee	30(1)	Presently the HR committee is performing the role of RMC
Disclosure of significant policies on website	35	The disclosure of significant policies on web site is non-mandatory.
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG):	35(1)	Currently, the Board is responsible for overseeing and guiding the Company's Environmental, Social, and Governance (ESG) initiatives. The Company is improving the implementation according to SECP requirement.


Mahjabeen Obaid
Chairperson


Director

Dated: September 28th 2026

TOWELLERS LIMITED

SIX YEARS AT GLANCE

FROM 2021 TO 2026

RUPEES IN THOUSANDS

PARTICULARS	2026	2025	2024	2023	2022	2021
Turn over-Net	11,135,640	12,347,002	12,314,921	11,086,916	10,238,086	5,220,747
Cost of sales	9,671,311	11,188,943	11,082,813	7,944,316	8,151,154	4,109,212
Gross profit / (loss)	1,464,329	1,158,059	1,232,108	3,142,600	2,086,932	1,111,536
Profit/(loss) from operation	431,805	265,530	836,265	2,633,967	1,208,243	619,652
Finance cost	41,410	29,641	31,102	53,848	23,250	5,444
Profit/(loss) before taxation	390,395	235,889	805,163	2,580,119	1,184,994	614,208
Profit / (loss) after taxation	150,882	286,709	559,502	2,388,338	1,063,048	556,456
Dividend-Paid	-	136,000	170,000	221,000	34,000	-

FINANCIAL DATA

Fixed assets-W.D.V.	6,012,818	5,987,804	5,601,362	3,250,949	3,142,611	1,810,526
Intangible asset	1,994	2,216	2,462	-	-	-
Right of use asset	4,228	4,832	5,436	-	-	-
Long term loans	18,017	28,154	22,164	19,250	20,487	19,501
Long term deposits	24,142	30,163	29,780	44,271	35,321	29,349
Current assets	7,006,782	6,334,254	6,273,528	6,667,455	4,632,048	2,437,648
Total	13,067,981	12,387,422	11,934,732	9,981,926	7,830,468	4,297,024

EQUITY & LIABILITIES

Equity	9,013,035	8,877,957	8,739,778	7,560,745	5,391,114	3,277,720
Non current liabilities	378,778	384,079	595,104	185,190	186,911	174,794
Current liabilities	3,676,169	3,125,386	2,599,850	2,235,991	2,252,443	844,511
Total	13,067,981	12,387,422	11,934,732	9,981,926	7,830,468	4,297,024

KEY RATIOS%

Gross margin%	13.15	9.38	10.01	28.35	20.38	21.29
Net profit %	1.35	2.32	4.54	21.54	10.38	10.66
Quick ratio%	0.62	1.01	1.42	1.80	1.08	0.89
EBIT margin%	3.88	2.15	6.79	23.76	11.80	11.87
Current ratio%	1.91	2.03	2.41	2.98	2.06	2.89
Earning/(loss) per share Rs	8.88	16.87	32.91	140.49	62.53	32.73
Dividend payout ratio	-	59.29	30.38	9.25	3.20	-
Debt equity ratio%	0.45	0.40	0.37	0.32	0.45	0.31

TOWELLERS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant And Equipment	4	6,012,817,524	5,987,803,782
Intangible Asset	5	1,994,490	2,216,100
Right Of Use Asset	6	4,227,843	4,831,820
Long Term Loans And Advances	7	18,017,116	28,153,616
Long Term Deposits	8	24,142,165	30,163,335
		6,061,199,138	6,053,168,653
CURRENT ASSETS			
Stores, Spare Parts And Loose Tools	9	68,884,824	58,601,444
Stock In Trade	10	3,368,362,156	2,072,517,088
Trade Debts	11	1,776,419,115	2,088,285,763
Loans And Advances	12	136,429,558	82,396,912
Trade Deposits And Short Term Prepayments	13	25,333,732	41,339,711
Other Receivables	14	181,578,535	218,858,181
Income Tax And Sales Tax Refundable	15	963,621,746	700,777,719
Short Term Investment	16	28,605,112	246,543,690
Cash And Bank Balances	17	457,547,408	824,933,145
		7,006,782,186	6,334,253,654
TOTAL ASSETS		13,067,981,324	12,387,422,307
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
25,000,000 (June 30, 2025: 25,000,000) Ordinary Shares Of Rs. 10 Each		250,000,000	250,000,000
Issued, Subscribed And Paid Up Capital	18	170,000,000	170,000,000
Reserves	19	6,186,111,873	5,945,433,021
Surplus On Revaluation Of Property, Plant & Equipment	20	2,656,923,023	2,762,524,029
		9,013,034,896	8,877,957,050
LIABILITIES			
NON CURRENT LIABILITIES			
Staff Retirement Benefits	21	206,869,664	219,288,055
Deferred Taxation	22	145,066,293	133,137,169
Lease Liability	6	2,559,336	3,258,372
Long Term Loan	23	24,282,563	28,395,486
		378,777,856	384,079,082
CURRENT LIABILITIES			
Trade And Other Payables	24	2,484,728,384	2,296,506,744
Unclaimed Dividend	25	3,956,186	3,964,601
Accrued Markup	26	2,439,399	161,392
Book overdraft	27	-	27,697,886
Current Portion of Lease Liability	6	3,939,036	2,942,254
Current Portion of Long Term Loan	23	4,112,924	4,112,924
Short Term Borrowings	28	1,176,992,643	790,000,374
		3,676,168,572	3,125,386,175
CONTINGENCIES AND COMMITMENTS	29		
TOTAL EQUITY AND LIABILITIES		13,067,981,324	12,387,422,307

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


Mehreen Obaid Agha
Chief Executive Officer

Karachi
September 28, 2026

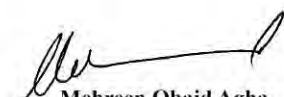

Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

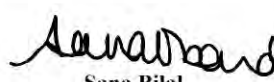
TOWELLERS LIMITED**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026**

	Note	2026 Rupees	2025 Rupees
Sales - Net	30	11,135,640,332	12,347,001,878
Cost of Sales	31	(9,671,310,865)	(11,188,943,001)
Gross Profit		1,464,329,467	1,158,058,877
Distribution Cost	32	(535,125,646)	(499,564,813)
Administrative Expenses	33	(551,871,872)	(484,800,989)
Other Operating Expenses	34	(35,277,885)	(39,622,685)
Other Income	35	89,750,636	131,459,874
		(1,032,524,767)	(892,528,613)
Profit From Operations		431,804,700	265,530,264
Finance Cost	36	(41,409,921)	(29,640,967)
Profit Before Levies And Taxation		390,394,779	235,889,297
Levies	37	(58,324,342)	(110,009,353)
Profit Before Taxation		332,070,437	125,879,944
Income Tax	37	(181,188,866)	160,829,089
Profit For The Year		150,881,571	286,709,033
Earnings Per Share - Basic And Diluted	38	8.88	16.87

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


Mehreen Obaid Agha
Chief Executive Officer

Karachi
September 28, 2026


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

TOWELLERS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2026

Particulars	Issued, subscribed and paid up capital	Reserves				Total
		Capital Reserve		Revenue Reserve	Sub Total	
		Share premium	Revaluation Surplus	Unappropriated profit		
-----Rupees-----						
Balance as at July 01, 2024	170,000,000	63,000,000	2,879,858,480	5,626,919,726	8,569,778,206	8,739,778,206
Profit for the year	-	-	-	286,709,033	286,709,033	286,709,033
Other comprehensive (loss) for the year	-	-	-	(12,530,189)	(12,530,189)	(12,530,189)
Annual dividend of PKR 8.00 per share for the year ended June 30, 2024	-	-	-	(136,000,000)	(136,000,000)	(136,000,000)
Transferred from surplus on revaluation of property, plant & equipment	-	-	(117,334,451)	117,334,451	-	-
Balance as at June 30, 2025	170,000,000	63,000,000	2,762,524,029	5,882,433,021	8,707,957,050	8,877,957,050
Profit for the year	-	-	-	150,881,571	150,881,571	150,881,571
Other comprehensive (loss) for the year	-	-	-	(15,803,725)	(15,803,725)	(15,803,725)
Transferred from surplus on revaluation of property, plant & equipment	-	-	(105,601,006)	105,601,006	-	-
Balance as at June 30, 2026	170,000,000	63,000,000	2,656,923,023	6,123,111,873	8,843,034,896	9,013,034,896

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Profit For The Year		150,881,571	286,709,033
Other Comprehensive (loss) for the year			
<i>Items that will not be reclassified subsequently to profit or loss account</i>			
(Loss) on remeasurement of staff retirement benefits	21.1	(22,258,767)	(20,541,293)
Less: Related deferred tax		6,455,042	8,011,104
		(15,803,725)	(12,530,189)
Surplus on revaluation of property, plant & equipment		-	-
Less: Related deferred tax		-	-
		-	-
Total comprehensive income for the year		135,077,846	274,178,844

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


Mehreen Obaid Agha
Chief Executive Officer

Karachi
September 28, 2026


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

TOWELLERS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit Before Levies And Taxation		390,394,779	235,889,297
Adjustments for:			
Depreciation		276,302,078	289,423,534
Depreciation-right of use asset		603,978	603,978
Amortization		221,610	246,233
Staff retirement benefits - gratuity		73,354,692	77,516,373
Finance cost		41,409,921	29,640,967
Workers' profit participation fund		20,966,422	14,408,067
(Gain) on disposal of property, plant and equipment		(9,008,306)	(2,930,159)
		403,850,394	408,908,993
Profit before working capital changes		794,245,173	644,798,290
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(10,283,380)	(631,878)
Stock in trade		(1,295,845,068)	(593,292,236)
Trade debts		311,866,649	116,907,659
Loans and advances		(54,032,646)	202,664,240
Trade deposits and short term prepayments		16,005,979	(5,021,311)
Other receivables		37,279,646	(37,933)
		(995,008,819)	(279,411,459)
(Decrease) / increase in current liabilities			
Trade and other payables		181,961,031	(13,928,126)
Cash (used in)/generated from operations		(18,802,615)	351,458,705
Finance cost paid		(39,131,914)	(29,776,158)
Taxes paid		(483,973,069)	(373,940,036)
Workers' profit participation fund paid		(14,408,067)	(43,734,148)
Long term loan to employees		10,136,500	(5,989,295)
Long term deposits		6,021,170	(383,410)
Staff retirement benefits - gratuity paid		(108,031,850)	(69,044,613)
Net cash (used in) from operating activities		(648,189,845)	(171,408,955)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		13,849,900	3,645,000
Short term investment		217,938,578	539,493,980
Fixed capital expenditure		(306,157,414)	(676,580,291)
Net cash (used in) investing activities		(74,368,936)	(133,441,311)
CASH FLOWS FROM FINANCING ACTIVITIES			
	48		
Long term borrowings		(4,112,923)	(4,112,925)
Short term borrowings		386,992,269	540,000,374
Bank overdraft	27	(27,697,886)	27,697,886
Dividend paid		(8,415)	(135,554,639)
Net cash generated from financing activities		355,173,044	428,030,696
Net (decrease)/increase in cash and cash equivalents		(367,385,737)	123,180,430
Cash and cash equivalents at the beginning of the year		824,933,145	701,752,715
Cash and cash equivalents at the end of the year	17	457,547,408	824,933,145

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


Mehreen Obaid Agha
Chief Executive Officer

Karachi
September 28, 2026


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a Private Limited Company on 31st May 1973 (Under Companies Act 1913) and subsequently converted into Public Limited Company on 22nd June 1994 under the repealed Companies Ordinance 1984, (Now Companies Act, 2017) and is quoted on Pakistan Stock Exchange. The main business of Company is manufacturing and export of textile made ups, garments and towels.

Following are the geographical locations and addresses of all business units of the Company:

Head office: WSA - 30 & 31, Block - 1, Federal "B" Area Karachi.

Manufacturing units of the Company:

- a) WSA - 30 Block - 1, Federal "B" Area Karachi.
- b) Plot No.14,15/1,15/2,15/A,16/2,17/1,17/2,17/3, Sector 12-D North Karachi Industrial Area Karachi.
- c) Plot No.9 & 10 Sector 12-C North Karachi Industrial Area Karachi.
- d) Plot No.48 Korangi Industrial Area Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of directives and notification issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policy notes.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

2.4 Initial application of a standard, amendment or an interpretation to an existing standard

2.4.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2026

There were certain amendments to published accounting and reporting standards that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have therefore not been disclosed in these financial statements except for the following:

2.5 Accounting estimates, judgements and financial risk management

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

2.6 Standards, interpretations and amendments to published approved accounting standards

2.6.1 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:

		Effective date (annual reporting periods beginning on or after)
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2026
IAS 21	The effects of changes in foreign exchange rates (Amendments)	January 1, 2027
IAS 28	Investments in Associates and Joint Ventures (Amendments)	January 1, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments (Amendments)	January 1, 2026
IFRS 10	Consolidated Financial Statements (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts (Amendments)	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

2.6.2 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

2.6.3 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 20	Regulatory Assets and Regulatory Liabilities
IFRIC 12	Service Concession Arrangement

3 MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

3.1 Property, plant and equipment

3.1.1 Owned

These are stated at cost less accumulated depreciation and any identified impairment loss, except land which is stated at revalued amount less any identified impairment loss (if any), while building, plant and machinery are stated at revalued amount less accumulated depreciation and any identified impairment loss.

Depreciation on all items of property, plant and equipment is charged to income applying the reducing balance method. Depreciation is being charged at the rates given in note to property plant & equipment.

Depreciation on additions to property, plant and equipment is charged from the month in which an assets become available for use, while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual values and useful lives are continually reviewed by the company and adjusted if impact on depreciation is significant. The company's estimate of the residual value of its property, plant and equipment as at June 30, 2026 has not required any adjustment, as its impact is considered insignificant.

The company continually assesses at each statement of financial position date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss account for the year. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

The profit or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense. Maintenance and normal repairs are charged to income. Major renewals and improvements are capitalized.

3.2 Revaluation

Revaluation of leasehold land, building, plant & machinery are based on periodic, but at least triennial, valuation by external independent valuer. Increase in the carrying amount arising on revaluation of leasehold land, building, plant & machinery are recognised in other comprehensive income and accumulated in shareholders' equity under the heading "Surplus on Revaluation of leasehold land, building, plant & machinery". To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

The Company carries out revaluations, considering the change in circumstances and assumptions from latest revaluation. The fair value of the Company's leasehold land, building, plant & machinery are assessed by management based on independent valuation performed by an external property valuation expert as at year end after every three years. For valuation of leasehold land, building, plant & machinery, the current market prices are used which requires significant judgment as to estimating the revalued amount in terms of property size, location and layout etc.

3.3 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents expenditure incurred on fixed assets in the course of construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use.

3.4 Intangible assets

These are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization is provided on reducing balance method. A full month's amortization is charged in the month of addition, and no amortization is charged in the month of de-recognition.

Rate of amortization, which is disclosed in the relevant note is designed to write-off the cost over the estimated useful life of the intangible asset.

The carrying value of the intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

3.5 Investments

Investments intended to be held for less than twelve months from the statement of financial position date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

3.6 Loans, advances, deposits and other receivables

These are stated at cost. Provision is made for the amounts considered doubtful. Amounts considered irrecoverable are written off to profit and loss account.

3.7 Stores, spares and loose tools

These are stated at average cost and goods-in-transit are stated at actual cost.

Provision is made in the financial statements for obsolete and slow moving stores and spares based on management estimate.

3.8 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows;

Raw material	At weighted average cost or replacement cost which ever is lower
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost or net realizable value which ever is lower
Waste	Net realizable value

Raw material in transit is stated at invoice price plus other charges paid thereon upto the reporting date.

Average manufacturing cost in relation to work in process and finished goods, consist of direct material and proportion of manufacturing overheads based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

3.9 Trade debts

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

3.10 Staff retirement benefits - gratuity

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Liability is adjusted annually to cover the obligation and the adjustment is charged to profit or loss. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

Amounts recognized in the reporting date represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

Actuarial gains and losses are recognized in comprehensive income for the period in which these arise.

3.11 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoices to the company.

3.12 Taxation

a Current year

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years.

b Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

c Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in the equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity but they intend to settle current tax liabilities and assets on a net basis or these tax assets and liabilities will be realised simultaneously.

3.13 Dividend

Dividend is recognized as a liability in the period in which it is approved by shareholders.

3.14 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

3.15 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.16 Revenue recognition

- a) According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point in time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.
- b) Return on bank balances is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.
- c) Dividend income and entitlement of bonus shares are recognized when right to receive such dividend and bonus shares is established.

3.17 Borrowing cost

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commencing.

3.18 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains or losses on translation are recognized in the profit or loss account. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

3.19 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and cash in hand. For the purposes of cash flow statement cash and cash equivalents consist of cash and cash equivalents as defined above.

3.20 Impairment**Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-Financial Assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.21 Financial instruments**a Financial assets**

The Company classifies its financial assets in the following measurement categories: i) Amortized cost where the effective interest rate method will apply; ii) Fair Value Through Profit or Loss (FVTPL); iii) Fair Value Through Other Comprehensive Income (FVTOCI)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income (OCI). For investment in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable

election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commit to purchase or sell the asset. Further financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c Measurement

At initial recognition, the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

d Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

e Amortised cost

Assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

f Fair Value Through Other Comprehensive Income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

g Fair Value Through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented in finance income/cost in the period in which it arises.

h Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognized as other gains/ losses in the profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

3.22 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.23 Related party transactions

All transactions with related parties are carried out by the Company at arms' length price using the method prescribed under the Companies Act, 2017.

Nature of the related party relationship as well as information about the transactions and outstanding balances are disclosed in the relevant note to the financial statements.

3.24 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year.

3.25 Segment reporting

Segment reporting is based on the operating (business) segments of the company. An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components. An operating segment's operating results are reviewed by the CODM to make decision about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results that are reported to the CODM includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprises mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

The business segments are engaged in providing products and services which are subject to risks and rewards which differ from the risk and

reward of other segment. Segments reported are garments and towels, which also reflects the management structure of company.

3.26 Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset.

3.27 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rates implicit in the leases are not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease options that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement period, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

3.28 Contingencies and commitments

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The management based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026**

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2026 Rupees	2025 Rupees
Operating fixed assets	4.1	5,651,711,880	5,514,494,384
Capital work in progress - at cost	4.4	381,105,644	473,309,398
		<u>6,012,817,524</u>	<u>5,987,803,782</u>

4.1 Operating fixed assets

June 30, 2026

	Leasehold land	Building on leasehold land	Plant & machinery	Electric installation	Gas installation	Furniture & fixture	Office equipment	Bicycles	Vehicles	Waste water treatment plant	Solar plant	Total
At July 01, 2025												
Cost	2,978,682,090	1,476,726,589	1,607,736,046	11,822,861	205,364	29,260,870	195,283,261	22,375	202,954,355	19,614,697	87,696,749	6,608,005,257
Accumulated depreciation	-	(438,866,351)	(383,278,237)	(11,435,296)	(152,867)	(17,984,906)	(104,207,781)	(21,060)	(102,192,697)	(10,311,229)	(25,060,450)	(1,093,510,873)
Net book value	2,978,682,090	1,037,860,238	1,224,457,809	387,565	52,497	11,275,964	89,075,480	1,315	100,761,658	9,303,468	62,636,299	5,514,494,384
Year ended June 30, 2026												
Opening net book value	2,978,682,090	1,037,860,238	1,224,457,809	387,565	52,497	11,275,964	89,075,480	1,315	100,761,658	9,303,468	62,636,299	5,514,494,384
Additions during the year	-	-	70,193,237	-	-	572,500	34,672,336	-	47,572,987	-	8,001,170	161,012,230
Addition (Transferred from CWIP)	-	96,891,721	137,298,666	-	-	-	2,825,000	-	-	-	333,550	237,348,937
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / transfers	-	-	-	-	-	-	-	-	-	-	-	-
-Cost	-	-	(30,000)	-	-	-	-	-	(12,280,990)	-	-	(12,310,990)
-Accumulated depreciation	-	-	28,903	-	-	-	-	-	7,440,493	-	-	7,469,396
Depreciation charge for the year	-	(104,593,455)	(128,241,441)	(38,736)	(5,250)	(1,139,013)	(9,943,640)	(132)	(24,876,929)	(930,347)	(6,533,115)	(276,302,078)
Closing net book value June 30, 2026	2,978,682,090	1,030,158,505	1,303,707,174	348,808	47,247	10,709,451	116,629,177	1,184	118,617,219	8,373,121	64,437,904	5,631,711,880

Annual depreciation rate %

10% 10% 10% 10% 10% 10% 10% 10% 10% 10% 10% 10%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

June 30, 2025

	Leasehold land	Building on leasehold land	Plant & machinery	Electric installation	Gas installation	Furniture & fixture	Office equipment	Bicycles	Vehicles	Waste Water Treatment Plant	Solar plant	Total
At July 01, 2024												
Cost	2,668,215,482	1,476,726,589	1,538,238,281	11,822,861	205,364	28,505,845	178,469,615	22,375	185,338,487	19,614,697	85,635,042	6,192,794,637
Accumulated depreciation	-	(323,548,546)	(251,062,028)	(11,392,234)	(147,034)	(16,768,337)	(94,870,003)	(20,913)	(80,773,920)	(9,277,510)	(18,150,973)	(806,011,498)
Net book value	2,668,215,482	1,153,178,043	1,287,176,252	430,628	58,330	11,737,508	83,599,612	1,462	104,564,567	10,337,187	67,484,069	5,386,783,139
Year ended June 30, 2025												
Opening net book value	2,668,215,482	1,153,178,043	1,287,176,252	430,628	58,330	11,737,508	83,599,612	1,462	104,564,567	10,337,187	67,484,069	5,386,783,139
Additions during the year	-	-	69,497,765	-	-	785,025	14,813,646	-	20,254,868	-	2,061,707	107,383,011
Additions (Transferred from CWIP)	310,466,608	-	-	-	-	-	-	-	-	-	-	310,466,608
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / transfers	-	-	-	-	-	-	-	-	(2,639,000)	-	-	(2,639,000)
-Cost	-	-	-	-	-	-	-	-	1,924,159	-	-	1,924,159
-Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(115,317,804)	(132,216,208)	(43,063)	(5,833)	(1,216,569)	(9,337,778)	(140)	(23,342,397)	(1,033,719)	(6,909,477)	(289,423,534)
Closing net book value June 30, 2025	2,978,682,090	1,037,860,238	1,224,457,809	387,565	52,497	11,275,964	89,075,480	1,315	100,761,658	9,303,468	62,636,299	5,514,494,384
Annual depreciation rate %	-	10%	10%	10%	10%	10%	10%	10%	20%	10%	10%	10%

Lease hold land and building are located at Block-1 F.B.Area Industrial Area Karachi with an area of 1,000 (2025: 1,000) square yards.

Lease hold land and building are located at North Karachi Industrial Area Karachi with an area of 5,844.44 (2025: 5,844.44) square yards.

Lease hold land and building are located at North Karachi Industrial Area Karachi with an area of 8,908.44 (2025: 8,908.44) square yards.

Lease hold land is located at North Karachi Industrial Area Karachi with an area of 1,922.23 (2025: 1,922.23) square yards.

The depreciation charge for the year has been allocated as follows:

	Note	2026	2025
		Rupees	Rupees
Cost of sales	31.1	240,342,364	255,526,104
Administrative expenses	33	35,959,713	33,897,430
		<u>276,302,078</u>	<u>289,423,534</u>

4.1.1

TOWELLERS LIMITED

4.2 Disposal of property, plant and equipment

Particulars	Particulars of buyer	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss)	Mode of disposal
Motor Vehicle							
SUZUKI BALENO	ABDULLAH	789,000	779,840	9,160	600,000	590,840	Negotiation
SUZUKI BALENO	ABDUL REHMAN	774,000	765,949	8,051	600,000	591,949	Negotiation
SUPER STAR 70	MUHAMMAD MUBASHIR	55,000	39,305	15,695	20,000	4,305	Negotiation
SUZUKI ALTO	KASHIF KHAN	425,000	372,513	52,487	500,000	447,513	Negotiation
HONDA CD-70	CENTURY INSURANCE	165,900	68,130	97,770	154,900	57,130	Insurance Claim
TOYOTA FORTUNER	TOYOTA CREEK	10,072,090	5,414,756	4,657,334	10,350,000	5,692,666	Negotiation
		12,280,990	7,440,493	4,840,497	12,224,900	7,384,403	
PLANT AND MACHINERY							
HYDRO MACHINE	JUNAID	30,000	28,903	1,097	1,625,000	1,623,903	Negotiation
2026		12,310,990	7,469,396	4,841,594	13,849,900	9,008,306	
2025		2,639,000	1,924,159	714,841	3,645,000	2,930,159	

4.3 Had there been no revaluation the related figures of land, building and plant & machinery at June 30, 2026 would have been as follows:

	Cost as on June 30, 2026	Accumulated depreciation	Book value June 30, 2026	Cost as on June 30, 2025	Accumulated depreciation	Book value June 30, 2025
Leasehold land	752,759,249	-	752,759,249	752,759,249	-	752,759,249
Building on leasehold land	713,357,965	457,433,771	255,924,194	616,466,244	438,866,351	177,599,893
Plant & machinery	1,444,052,159	790,522,017	653,530,142	1,236,590,256	734,519,256	502,071,000
	2,910,169,374	1,247,955,788	1,662,213,586	2,605,815,749	1,173,385,607	1,432,430,142
				Note	2026 Rupees	2025 Rupees

4.4 Capital work in progress - at cost

Building - civil works	381,085,644	343,358,102
Plant & machinery	-	126,772,746
Solar plant	20,000	353,550
	381,105,644	473,309,398

The movement in Capital work in progress is as follows:

Balance at the beginning of the year	473,309,398	214,578,727
Additions during the year:		
Land	-	310,466,608
Building - civil works	134,619,263	230,359,022
Solar plant	-	353,550
Plant & machinery	10,525,920	28,018,099
	145,145,183	569,197,279
Transfer to operating fixed assets / expense		
Land	-	310,466,608
Building - civil works	96,891,721	-
Plant & machinery	137,298,666	-
Factory equipment	2,825,000	-
Solar plant	333,550	-
	237,348,937	310,466,608
Balance at the end of the year	381,105,644	473,309,398

5 Intangible Asset

Software	2,216,100	2,462,333
Less: Amortization	(221,610)	(246,233)
	1,994,490	2,216,100
Amortization rate	10%	10%

6 RIGHT-OF-USE ASSET

Balance at the beginning of the year	4,831,820	5,435,797.96
Additions during the year	-	-
Depreciation charge during the year	(603,978)	(603,978)
Balance at the end of the year	4,227,843	4,831,820

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6.1 Carrying amount of lease liabilities and the movements during the year.

Balance at the beginning of the year	6,200,627	6,039,776
Additions during the year	-	-
Interest expense	297,746	160,851
Balance at the end of the year	6,498,373	6,200,627
Overdue	(3,240,000)	(2,160,000)
Current portion	(699,036)	(782,254)
Non-current portion	2,559,336	3,258,373

6.2 Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable, the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Finance charge of 17.5% (2025: 17.5%) per annum have been used as discounting factor.

	2026			2025		
	Minimum lease payments	Financial charges for future periods	Present value of minimum lease payments	Minimum lease payments	Financial charges for future periods	Present value of minimum lease payments
	Rupees					
Up to one year	1,134,000	434,964	699,036	1,080,000	297,746	782,254
Later than one year but not later than five years	4,649,400	2,710,635	1,938,765	4,592,700	2,339,967	2,252,733
More than five years	2,440,935	1,820,364	620,571	3,631,635	2,625,996	1,005,639
	8,224,335	4,965,963	3,258,372	9,304,335	5,263,708	4,040,627

	Note	2026 Rupees	2025 Rupees
7 LONG TERM LOANS AND ADVANCES			
Loan to employees - secured			
Executives	7.1	25,107,136	34,159,327
Other employees		7,900,567	7,638,058
		33,007,703	41,797,385
Current portion of loans shown under current assets			
Executives	12	(7,740,020)	(7,217,400)
Other employees	12	(7,250,567)	(6,426,369)
		(14,990,587)	(13,643,769)
		18,017,116	28,153,616
7.1 Movement in loans to executives			
Balance at the beginning of the year		34,159,327	35,321,750
Amount disbursed during the year		21,201,055	7,287,177
		55,360,382	42,608,927
Amount received/recovered during the year		(30,253,246)	(8,449,600)
Balance at the end of the year		25,107,136	34,159,327
7.1.1 Maximum amount due from executives during the year, calculated by reference to month-end balances, was Rs.36,440,698 (2025: Rs.36,786,813).			
7.2 These are interest free loans recoverable in monthly installments. These loans are secured against employees' retirement benefit obligation- gratuity.			
8 LONG TERM DEPOSITS			
Security deposits		24,142,165	30,163,835
		24,142,165	30,163,835
9 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		55,573,715	50,103,762
Spare parts and loose tools		13,311,110	8,497,682
		68,884,824	58,601,444
9.1 No item of stores, spare and loose tools is pledged as security as at reporting date.			
9.2 No item of stores, spare and loose tools are held for capitalization as at reporting date.			
9.3 No item of stores, spare and loose tools recorded at NRV as at reporting date.			
10 STOCK IN TRADE			
Raw material	10.1	1,116,973,408	1,286,119,870
Work in process		1,093,674,547	442,713,741
Finished goods	10.2	1,157,714,201	343,683,477
		3,368,362,156	2,072,517,088
10.1 Raw material stock cost PKR: Nil (2025: Rs.Nil) have been valued at PKR: Nil (2025:Rs.Nil) being the replacement cost of raw material. The amount charge to profit or loss in respect of raw material written down to net realizable value is PKR: Nil (2025:Rs.Nil).			
10.2 Finished Goods stock cost PKR: Nil (2025: Rs.Nil) have been valued at PKR: Nil (2025: Rs.Nil) being the net realizable value of finished goods. The amount charge to profit or loss in respect of Finished Goods written down to net realizable value is PKR: Nil (2025: Rs.Nil).			
10.3 No item of stock in trade is pledged as security as at reporting date.			
10.4 The finished stocks includes waste stock amounting Rs.60,025 (2025:Rs.945,927) and valued at NRV.			

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	Note	2026 Rupees	2025 Rupees		
11	TRADE DEBTS				
Secured against letter of credit					
Foreign debts		783,026,170	1,194,309,105		
Unsecured-considered good					
Foreign debts		986,759,049	889,883,690		
Domestic debts		6,633,896	4,092,969		
		993,392,944	893,976,659		
Unsecured-considered doubtful					
Considered doubtful		24,899,278	24,114,663		
Allowance for ECL	11.1	(24,899,278)	(24,114,663)		
		1,776,419,115	2,088,285,763		
11.1	Particulars of allowance for ECL on doubtful debts				
Balance at beginning of the year		24,114,663	25,202,139		
Allowance no longer required		-	(6,998,636)		
Change during the year	33	784,615	5,911,160		
Balance at the end of the year		24,899,278	24,114,663		
12	LOANS AND ADVANCES				
Current Portion - Long Term Loans And Advances					
Executive - secured	7	7,740,020	7,217,400		
Others - secured	7	7,250,567	6,426,369		
		14,990,587	13,643,769		
Advances:					
to suppliers		100,229,658	52,140,193		
for services		21,209,313	16,612,950		
		121,438,971	68,753,143		
		136,429,558	82,396,912		
13	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS				
Security deposits		5,640,373	12,525,668		
Prepayments		14,180,701	24,673,832		
Prepaid markup		5,512,658	5,106,325		
Less: Impairment loss		-	(966,114)		
		25,333,732	41,339,711		
14	OTHER RECEIVABLES				
Considered good					
Export rebate		156,888,620	124,299,117		
Drawback local taxes levies		24,689,915	94,559,064		
		181,578,535	218,858,181		
15	INCOME TAX AND SALES TAX REFUNDABLE				
Balance at the beginning of the year		44,619,719	(70,907,852)		
Prepaid levies		271,280,441	291,839,430		
Provision for taxation (adjusted)		(221,129,042)	(176,311,860)		
Balance at the end of the year		94,771,118	44,619,719		
Sales tax refundable		868,850,628	656,158,000		
		963,621,746	700,777,719		
16	SHORT TERM INVESTMENTS				
- Fair value through profit or loss	16.1	28,605,112	246,543,690		
16.1	Name of funds	2026 No. of units	2025 No. of units	2026 Rupees	2025 Rupees
Faysal Islamic financial growth plan II		3,841	289,530	385,616	28,987,311
Faysal Islamic sovereign plan -I		289	-	29,175	-
Faysal Islamic sovereign plan -II		114	-	11,528	-
Faysal Islamic cash fund		4,556	2,162,651	457,871	216,758,192
ABL Islamic cash fund		134	26,092	1,343	261,361
ABL Islamic money market plan-I		2,706,104	-	27,120,300	-
Alfalalah Islamic Amdani Fund		4,992	3,607	501,202	360,765
Alfalalah Islamic sovereign plan -II		274	1,130	30,467	113,191
HBL Islamic money market		663	619	67,611	62,870
		2,720,967	2,483,628	28,605,112	246,543,690

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17 CASH AND BANK BALANCES

Cash in hand			1,358,227	1,823,535
Cash at banks-local currency:				
In current accounts			98,132,331	24,272,963
In saving accounts	17.1		346,984,767	696,149,483
			445,117,098	720,422,446
Cash at banks-foreign currency:				
In current accounts			11,072,083	102,687,164
			11,072,083	102,687,164
			457,547,408	824,933,145

17.1 It carries mark up at the rate of 4.50% to 11% (2025: 4.5% to 10.00%) per annum.

18 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2026	2025		2026	2025
Number of shares			Rupees	Rupees
9,372,247	9,372,247	Ordinary shares of Rs. 10 each allotted for consideration paid in cash	93,722,470	93,722,470
1,012,753	1,012,753	Ordinary shares of Rs. 10 each allotted as bonus shares	10,127,530	10,127,530
6,615,000	6,615,000	Ordinary shares of Rs. 10 each allotted for consideration against plant & machinery	66,150,000	66,150,000
17,000,000	17,000,000		170,000,000	170,000,000

18.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

	Note	2026	2025
		Rupees	Rupees
19 RESERVES		6,186,111,873	5,945,433,021
19.1 CAPITAL RESERVES			
Share premium on ordinary shares	19.1.1	63,000,000	63,000,000
		63,000,000	63,000,000
19.1.1 This reserve can be utilised by the Company only for the purposes specified in section 81 of the Companies Act, 2017			
19.2 REVENUE RESERVES			
Unappropriated profit	19.2.1	6,123,111,873	5,882,433,021
		6,123,111,873	5,882,433,021
19.2.1 This represents unappropriated profit and is available for distribution.			
20 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Balance at the beginning of the Year		2,762,524,030	2,879,858,480
		2,762,524,030	2,879,858,480
Transfer to equity - incremental depreciation		(105,601,006)	(117,334,451)
Balance at the end of the year		2,656,923,024	2,762,524,030
20.1 Revaluation of property plant and equipment was carried out on September 13, 2022 by M/s. Iqbal A. Nanjee & company, an independent valuer which resulted a surplus of Rs. 1,067,235,625/- further revaluations were carried by the K.G.Traders (Pvt) Limited on property plant and equipment on June 30, 2024 resulting a surplus of Rs. 1,212,567,321/- forced sales value of Land, building and plant & machinery have been assessed Rs. 2,116,200,000/-, Rs. 1,226,466,400/- and Rs. 537,176,500/- respectively.			
21 STAFF RETIREMENT BENEFITS			
Staff retirement benefits-Gratuity	21.1	206,869,664	219,288,055
		206,869,664	219,288,055
21.1 Movement in the net liability recognized at the reporting date			
Opening net liability		219,288,055	190,275,002
Expense for the year	21.2	73,354,692	77,516,373
Remeasurement loss recognized in other comprehensive income	21.3	22,258,767	20,541,293
		314,901,514	288,332,668
Benefits paid during the year		(108,031,850)	(69,044,613)
Closing net liability		206,869,664	219,288,055
21.2 Expense recognized in the profit or loss account			
Current service cost		56,665,321	59,440,484
Interest cost		16,689,371	18,075,889
		73,354,692	77,516,373

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21.3	Expense recognized in statement of comprehensive income				
	Net remeasurement loss recognized.	21.3.1	22,258,767	20,541,293	
			<u>22,258,767</u>	<u>20,541,293</u>	
21.3.1	The remeasurement loss is arising from:				
	Financial Assumptions		6,211,126	6,800,000	
	Demographic Assumptions		1,956,930	2,000,000	
	Experience Assumptions		14,090,710	11,741,293	
			<u>22,258,767</u>	<u>20,541,293</u>	
		Note	2026 Rupees	2025 Rupees	
21.4	Movement in the present value of defined benefit obligation				
	Present value of defined benefit obligation		219,288,055	190,275,002	
	Current service cost		56,665,321	59,440,484	
	Interest cost		16,689,371	18,075,889	
	Remeasurement loss		22,258,767	20,541,293	
	Benefits paid		(108,031,850)	(69,044,613)	
			<u>206,869,664</u>	<u>219,288,055</u>	
21.5	Gratuity expenses have been allocated as follows				
	Cost of sale		51,923,107	59,139,878	
	Administrative expenses		21,431,585	18,376,495	
			<u>73,354,692</u>	<u>77,516,373</u>	
21.6	Historical information				
		2026	2025	2024	2023
	Present value of defined benefit obligation	206,869,664	219,288,055	190,275,002	176,081,034
21.7	Reconciliation				
	Present value of defined benefit obligation				206,869,664
					<u>206,869,664</u>
21.8	General description				
	The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charges is made using the actuarial technique of Projected Unit Credit Method.				
21.9	Principal actuarial assumption				
	Following are a few important remeasurement assumptions used in the valuation.				
			%	%	
	Discount rate		13.50%	11.50%	
	Avg. rate of increase in salary		10.00%	10.00%	
	Expected year of services (years)		20	20	
21.10	Sensitivity analysis of actuarial assumptions				
	The calculation of defined benefit obligation is sensitive to assumptions given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumptions by 100 basis point.				
			Increase in assumption	Decrease in assumption	
	Discount rate		(19,905,126)	23,081,516	
	Expected rate of future salaries		23,417,774	(20,497,412)	
21.11	Expected gratuity expense for the year ending June 30, 2027 works out to Rs.86,415,048/-.				
21.12	The weighted average duration of defined benefit obligation is 20 years.				
22	DEFERRED TAXATION				
	Taxable temporary differences	22.1	<u>145,066,293</u>	<u>133,137,169</u>	
22.1	Deferred tax liability/ (asset) comprises of temporary differences relating to Taxable/(deductible) temporary differences				
	Accelerated tax depreciation allowance		224,399,217	111,089,775	
	Surplus on revaluation of property, plant and equipment		124,990,053	209,274,463	
	Staff Retirement Benefits		(59,992,202)	(85,522,341)	
	Allowance for ECL		(7,220,791)	(9,404,719)	
	Net Unrealized Gain		(371,171)	5,446,163	
	Impairment loss		-	(376,784)	
	Difference of Minimum Tax & Normal Tax		(136,738,813)	(97,369,388)	
			<u>145,066,293</u>	<u>133,137,169</u>	

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	Note	2026 Rupees	2025 Rupees
22.2 Reconciliation for rate difference			
Opening deferred tax liability		133,137,169	368,279,868
Deferred tax attributed to OCI - Fresh		(8,509,171)	(8,011,104)
Change in rate impact in OCI		2,054,129	-
		(6,455,042)	(8,011,104)
Deferred tax attributed to Profit and Loss - Fresh		(39,854,705)	(227,131,595)
Change in rate impact in Profit and Loss		58,238,871	-
		18,384,166	(227,131,595)
Closing deferred tax liability		145,066,293	133,137,169
23 LONG TERM LOAN			
Bank Al Habib Limited		28,395,487	32,508,410
Less: current portion of long term loan		(4,112,924)	(4,112,924)
		24,282,563	28,395,486
23.1	The outstanding balance under the SBP Financing Scheme for Renewable Energy is Rs. 28.40 million (2025: Rs. 32.51 million), against a total credit facility of Rs. 46 million. The loan is repayable over ten years in quarterly instalments and bears a mark-up rate of 4%, including the SBP financing rate of 2%. It is secured by an equitable mortgage over land and buildings and a hypothecation charge over the solar equipment.		
24 TRADE AND OTHER PAYABLES			
Trade Creditors		1,967,755,533	1,908,921,758
Contract Liabilities	24.1	134,277,918	74,747,400
Accrued liabilities		307,284,455	250,555,640
Sindh Workers' profit participation fund	24.2	20,966,422	14,408,067
Sindh Workers' Welfare Fund	24.3	11,901,621	5,331,444
Gas infrastructure development cess		39,090,000	39,090,000
Other payable		3,452,435	3,452,435
		2,484,728,384	2,296,506,744
24.1	Contract liabilities includes advance from customer and it is recognized as revenue when the performance obligation in accordance with the policy is satisfied. Revenue amounting to Rs. 74,747,400 (2025: Rs.64,997,544) has been recognized in current year in respect of advance from customers at the beginning of the year.		
24.2 Sindh Workers' profit participation fund			
Balance at the beginning of the Year		14,408,067	43,734,148
Interest on fund utilized in company's business	36	-	3,316,506
		14,408,067	47,050,654
Paid during the year		(14,408,067)	(47,050,654)
		-	-
Allocation for the year	34	20,966,422	14,408,067
Balance at the end of the Year		20,966,422	14,408,067
24.3 Sindh Workers' Welfare Fund			
Balance at the beginning of the year		5,331,444	25,765,452
Allocation for the year	34	7,967,240	4,874,645
Surcharge		-	31,870
		13,298,685	30,671,966
Paid during the year		(1,397,064)	(25,340,522)
Balance at the end of the year		11,901,621	5,331,444
25 UNCLAIMED DIVIDEND			
Unclaimed dividend		3,956,186	3,964,601
26 ACCRUED MARKUP			
Markup on long term borrowing		2,439,399	161,392
		2,439,399	161,392

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	Note	2026 Rupees	2025 Rupees
27 BOOK OVERDRAFT			
Book overdraft	27.1	-	27,697,886
27.1 This represents cheques issued in excess of bank balance. Since there was no banking facility, this has been grouped under Book overdraft.			
28 SHORT TERM BORROWINGS			
From banking companies - secured Under Mark up arrangements			
Islamic Export Refinance	28.1	836,992,643	790,000,374
Islamic Running Finance	28.2	340,000,000	-
		<u>1,176,992,643</u>	<u>790,000,374</u>
28.1 The Company availed Rs.836.99 million (2025: 790 million) from total credit facility of Rupees 1.5 billion (2025: Rs.1.0 billion) under Islamic Export Refinance Scheme Facility under a scheme by SBP having a tenor of six months to facilitate the manufacturing of Istisna goods. The Pre-shipment borrowing is settled through export proceeds and its pricing is as per SBP rate. The facility is secured against Registered Hypothecation Charge over Stocks & Receivables, Lien over Export Documents, Registered Hypothecation charge over Plant & Machinery, Accepted Draft, Equitable Mortgage Charge over Land & Buildings.			
28.2 During the year, the Company availed Rs. 340.00 million (2025: Rs. NIL) Islamic Running Finance Facility under a scheme by SBP having a tenor of six months. The Pre-shipment borrowing is settled upon export / sale proceeds or Company's own sources after sales / shipment only and is priced at policy rate - 7% (i.e. 4.5%). The facility is secured against registered hypothecation charge over stocks & receivables, lien over export documents, registered hypothecation charge over plant & machinery, accepted draft and equitable mortgage charge over land and buildings. These form part of the sub limit of the total credit facility of Rs. 1.5 billion (2025: Rs. 1.0 Billion).			
29 CONTINGENCIES AND COMMITMENTS			
29.1 Contingencies			
29.1.1 The company had received a recovery notice from the FBR under Section 65B tax credit, against which the company has filed a Review petition No.C.P.L.A. No. 864-K/2023 in the Honorable Supreme Court of Pakistan and The Honorable Court has granted stay on the recovery tax. In case of unfavorable outcome of the case, the Company might have to incur an additional tax liability of Rs.10.80 M, though the Company is confident that such retrospective incurrence of tax will not be allowed by the Honorable Court.			
29.1.2 The Case was filed with the Supreme Court against the abolishment of tax credits under section 65 B, however, the Honorable Court passed the judgement in favor of Department. Against that judgement, a review petition was filed with Supreme Court which is still pending. The department issued a notice and order was passed for the recovery of the credit claimed during the tax year 2024. The Company filed an appeal against the order and Honorable High Court of Sindh granted stay against any forced recovery in this regard. In case of unfavorable outcome of the review petition, there might be an additional liability of Rs. 30 M that may be incurred which has not been accounted for in these accounts.			
29.1.3 The Company has made appropriate provisions in the accounts for the Super Tax liabilities for the year 2025 and earlier periods as per the applicable provisions of the Income Tax Ordinance, 2001, in line with the prevailing judicial position. During the year, the Company received notices from the Federal Board of Revenue (FBR) for recovery of the Super Tax relating to prior years. The Company has filed an appeal with the Commissioner Inland Revenue (Appeals) for adjustment of recognized income tax refundable amounts and advance taxes paid during the current period against the demand of super tax. The Company also filed a constitutional petition and obtained an order from the Honorable Sindh High Court restraining any coercive measures of recovery by the FBR. Accordingly, no coercive recovery was made by the FBR pursuant to the said order. The FBR has not filed any appeal against such stay till the approval of these financial statements, and accordingly, the adjustment of advance taxes and Income Tax Refundable amounts stands enforced. Considering the explained proceedings, it is likely that the Company will adjust the recognized income tax refundable amounts and advance taxes paid during the current and preceding years against Super Tax liabilities.			
29.1.4 Bank guarantees issued in the ordinary course of business.		22,997,600	22,997,600
29.2 Commitments			
Raw material		12,126,491	71,309,700
Commitments for capital expenditure		45,439,212	530,540,978
		<u>57,565,703</u>	<u>601,850,678</u>
	Note	2026 Rupees	2025 Rupees
30 SALES - NET			
Export	30.1	11,466,382,601	12,574,912,725
Local waste		21,462,858	24,413,222
Less: sales tax on waste sales		(3,697,839)	(3,925,830)
		<u>11,484,147,620</u>	<u>12,595,400,117</u>
Rebate & duty drawback		132,836,500	114,301,315
Commission on exports		(32,196,996)	(51,296,922)
Discount on exports		(449,146,793)	(311,402,632)
		<u>11,135,640,332</u>	<u>12,347,001,878</u>
30.1 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rs.124.06 million (2025: Rs.162.81 million) has been included in export sales.			
31 COST OF SALES			
Cost of goods manufactured	31.1	10,485,341,589	10,979,357,396
Finished goods			
Opening stock		343,683,477	553,269,083
Closing stock		(1,157,714,201)	(343,683,477)
		<u>9,671,310,865</u>	<u>11,188,943,001</u>

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31.1 Cost of goods manufactured

Raw material consumed	31.1.1	5,310,981,537	5,129,066,667
Purchase (semi finished goods)		659,562,396	1,131,835,092
Stores and spares consumed	31.1.2	204,235,395	217,175,881
Other manufacturing expenses	31.1.3	1,922,263,719	1,708,417,864
Salaries, wages and other benefits	31.1.4	1,962,460,070	1,794,918,903
Communication expenses		1,873,908	1,721,207
Conveyance		14,271,883	13,570,178
Cartage		49,858,014	52,226,587
Utilities		374,363,253	495,815,468
Insurance		61,175,245	59,639,006
Repairs and maintenance		52,035,969	30,505,107
Oil and lubricants		81,722,511	654,808
Printing and stationery		727,564	205,420
Subscription, fees and taxes		106,621,709	136,765,244
Entertainment expenses		50,201,631	51,914,370
Vehicle running and maintenance		43,001,250	37,551,239
Depreciation-Right-of-use assets	6	603,978	603,978
Depreciation	4.1.1	240,342,364	255,526,104
		11,136,302,395	11,118,113,124
Work in process			
Opening stock		442,713,741	303,958,013
Closing stock		(1,093,674,547)	(442,713,741)
		(650,960,806)	(138,755,728)
		10,485,341,589	10,979,357,396

31.1.1 Raw material consumed

Opening stock	1,286,119,870	621,997,756
Purchases - net	5,141,835,075	5,793,188,781
	6,427,954,945	6,415,186,537
Closing stock	(1,116,973,408)	(1,286,119,870)
	5,310,981,537	5,129,066,667

	Note	2026 Rupees	2025 Rupees
31.1.2 Stores and spares consumed			
Opening stock		58,601,444	57,969,566
Purchases - net		214,518,775	217,807,759
		273,120,219	275,777,325
Closing stock		(68,884,824)	(58,601,444)
		204,235,395	217,175,881
31.1.3 Other manufacturing expenses			
Fabric dyeing and processing charges		1,519,934,080	1,240,889,651
Stitching charges		402,329,639	467,528,213
		1,922,263,719	1,708,417,864

31.1.4 Salaries, wages and other benefits include Rs. 51,923,107/- (2025: Rs. 59,139,878/-) in respect of staff retirement benefits (gratuity).

32 DISTRIBUTION COST

Export development surcharge	13,312,379	31,346,428
Export freight	280,593,123	221,294,150
Cleaning and forwarding	101,723,717	87,856,081
Marine insurance	7,714,103	7,264,257
Fair & exhibition	23,305,609	42,394,238
Entertainment	948,240	725,795
Travelling	104,347,070	106,164,156
Sales promotion expense	3,181,405	2,519,709
	535,125,646	499,564,813

33 ADMINISTRATIVE EXPENSES

Directors' remuneration	65,831,820	61,801,820
Staff salaries and other benefits	33.1	310,415,542
Conveyance		185,453
Vehicle running and maintenance		16,743,679
Subscription, fees and taxes		36,855,987
Utilities		7,117,597
Printing and stationery		1,019,327
Legal and professional charges		2,438,418
Repairs and maintenance		11,143,572
Communication expenses		34,659,475
Entertainment		16,531,253
Insurance		11,668,026
Advertisement		295,786
Allowance for ECL	11.1	784,615
Depreciation	4.1.1	35,959,713
Amortization	5	221,610
		551,871,872

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33.1 Staff salaries and other benefits includes Rs.21,431,585/- (2025: Rs.18,376,495/-) in respect of staff retirement benefits (gratuity).

34 OTHER OPERATING EXPENSES

Sindh Worker's profit participation fund	24.2	20,966,422	14,408,067
Auditor's remuneration	34.1	1,860,736	1,489,295
Donation	34.2	577,290	13,096,558
Unrealized exchange loss on FCY		1,431,723	-
Un-Realized Exchange loss on Foreign vendors		-	5,722,250
Un-Realized-loss on mutual funds investment		2,474,473	-
Sindh Worker's welfare fund	24.3	7,967,240	4,874,645
Sindh Worker's welfare fund-Surcharge		-	31,870
		<u>35,277,885</u>	<u>39,622,685</u>

34.1 Auditor's remuneration

Annual audit fee		1,261,838	1,147,125
Half yearly review fee		155,898	155,898
Code of Corporate Governance review		55,000	55,000
Other services		388,000	131,272
		<u>1,860,736</u>	<u>1,489,295</u>

	Note	2026 Rupees	2025 Rupees
35 OTHER INCOME			
From financial assets			
Profit on savings account		47,423,180	74,538,230
Profit on mutual funds investment	35.1	33,317,248	50,536,535
Un-Realized-Profit on mutual funds investment		-	25,005
Un-Realized Exchange gain on foreign vendors		1,903	-
Un-Realized Exchange gain on FCY		-	3,429,945
From other than financial assets			
Gain on sale of property, plant and equipment	4.2	9,008,306	2,930,159
		<u>89,750,636</u>	<u>131,459,874</u>
35.1 Profit on mutual funds investment			
Dividend		78,461	50,536,535
Capital Gain		33,238,786	-
		<u>33,317,248</u>	<u>50,536,535</u>
36 FINANCE COST			
Interest on SWPPF	24.2	-	3,316,506
Mark-up on lease liability		297,746	160,851
Mark-up on short term borrowing		19,731,599	7,818,324
Mark-up on long term borrowing		1,218,271	1,426,331
Bank charges		20,162,306	16,918,956
		<u>41,409,921</u>	<u>29,640,967</u>
37 TAXATION			
37.1 LEVIES			
Minimum Tax	37.2.1	58,324,342	110,009,353
		<u>58,324,342</u>	<u>110,009,353</u>
37.2 INCOME TAX			
Current year		99,533,933	59,173,673
Prior Year Adjustment		63,270,767	7,128,833
Deferred tax		18,384,166	(227,131,595)
		<u>181,188,866</u>	<u>(160,829,089)</u>

37.2.1 These represent Minimum tax under section 113 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

37.2.2 This year, Company's tax provision calculated under section 113 of the Income Tax Ordinance, 2001, therefore relationship between tax expense and accounting profit is not required.

38 EARNINGS PER SHARE

Basic earnings per share

Profit for the year	Rupees	<u>150,881,571</u>	<u>286,709,033</u>
Weighted average number of ordinary shares outstanding during the year	Numbers	<u>17,000,000</u>	<u>17,000,000</u>
Earning per share - basic	Rupees	<u>8.88</u>	<u>16.87</u>

Diluted earnings per share

There were no convertible dilutive potential ordinary shares in issue as at June 30, 2026 and June 30, 2025.

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	Note	2026 Rupees	2025 Rupees
39 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES			
		2026	2025
		CEO Directors Executives	CEO Directors Executives
		Rupees	Rupees
Managerial remuneration		16,263,504	14,823,504
Bonus		-	-
Staff retirement gratuity		-	-
Utilities		1,032,577	1,079,652
Medical expenses		1,382,712	1,986,245
Others		31,652	7,800
		16,263,504	14,823,504
		52,015,257	50,052,013
		226,903,797	173,866,472
Number of persons		1	7
		7	53

39.1 The Chief Executive and Directors are using personal cars but the fuel and maintenance paid by the company and Executives are provided with free use of Company's maintained car. The company pays the utility bills of only one director and one executive.

40 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise 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:

40.1 Transactions and balances with key management personnel	2026	2025
Remuneration, allowances and benefits	68,278,761	64,875,517

40.2 Following are the related parties with whom the Company had entered into transactions during the year:

Name of the related party	Basis for relationship	Percentage of shareholding
Ms. Mahjabeen Obaid	Chairperson and Shareholder	15.57%
Ms. Mehreen Obaid Agha	Chief Executive and Shareholder	14.47%
Ms. Sana Bilal	Director and Shareholder	14.47%
Ms. Hadeel Obaid	Director and Shareholder	14.47%
Mr. Zeeshan Khurshid Sattar	Director and Shareholder	2.76%
Mr. Valy Tariq Rangoon Wala	Director	0.00%
Mr. Niaz Muhammad	Independent Director	0.00%
Mr. Muhammad Sarfraz	Independent Director	0.00%

The company continues to have a policy whereby all transactions with related parties are entered at arm's length.

	Note	2026 Rupees	2025 Rupees
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41 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company has exposures to the following risks from its use of financial instruments.

- 41.1** Credit risk
- 41.2** Liquidity risk
- 41.3** Market risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

41.1 Credit risk

41.1.1 Exposure to credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. Credit risk of the Company arises from deposits with banks, trade debts, loans and advances and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilization of credit limits is regularly monitored.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings.

Carrying values of financial assets exposed to credit risk and which are neither past due nor impaired are as under:

		2026 Rupees	2025 Rupees
Long Term Loans And Advances	7	18,017,116	28,153,616
Long Term Deposits	8	24,142,165	30,163,335
Trade debts	11	1,776,419,115	2,088,285,764
Loans and advances	12	136,429,558	82,396,912
Trade deposits and short term prepayments	13	25,333,732	41,339,711
Other Receivables	14	181,578,535	218,858,181
Cash and bank balances	17	456,189,181	823,109,610
		2,618,109,402	3,312,307,129

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41.1.2 The maximum exposure to credit risk for trade debts at the reporting date by geographical region is as follows.

		2026 Rupees	2025 Rupees
Domestic	11	6,633,896	4,092,969
Export	11	1,794,684,497	2,108,307,458
Allowance for ECL		(24,899,278)	(24,114,663)
		<u>1,776,419,115</u>	<u>2,088,285,764</u>

The majority of export debtors of the company are situated in Asia, Europe, Africa , USA and Australia.

41.1.3 The aging of trade debtors in the statement of financial position is as follows:

	Gross debtors	
	2026	2025
	Rupees	
Not past due	1,338,767,491	1,715,125,644
Past due 0 - 30 days	342,849,449	121,165,332
Past due 31 - 90 days	35,760,772	68,712,678
Past due 91 days - 1 year	14,703,723	167,530,997
More than one year	69,191,958	39,865,776
	<u>1,801,273,393</u>	<u>2,112,400,427</u>
Allowance for ECL	(24,899,278)	(24,114,663)
	<u>1,776,374,115</u>	<u>2,088,285,765</u>

41.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments.

	2026					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					

Non - derivative Financial liabilities

Long Term Loan	28,395,487	28,395,487	-	4,112,924	24,282,563	-
Trade And Other Payables	2,335,096,410	2,335,096,410	2,335,096,410	-	-	-
Accrued markup	2,439,399	2,439,399	2,439,399	-	-	-
Short term borrowing	1,176,992,643	1,176,992,643	1,176,992,643	-	-	-
Bank Overdraft	-	-	-	-	-	-
	<u>3,542,923,939</u>	<u>3,542,923,939</u>	<u>3,514,528,452</u>	<u>4,112,924</u>	<u>24,282,563</u>	<u>-</u>

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2025

	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
Rupees						
Non - derivative Financial liabilities						
Long term loan	32,508,410	32,508,410	-	4,112,924	28,395,486	-
Trade and other payables	2,198,567,397	2,198,567,397	2,198,567,397	-	-	-
Accrued markup	161,392	161,392	161,392	-	-	-
Short term borrowing	790,000,374	790,000,374	790,000,374	-	-	-
Bank Overdraft	27,697,886	27,697,886	27,697,886	-	-	-
	3,048,935,459	3,048,935,459	3,016,427,049	4,112,924	28,395,486	-

41.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

41.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

41.3.1 Currency risk

Exposure to currency risk

The company is exposed to currency risk on trade debts and import of raw material and stores that are denominated in a currency other than the respective functional currency of the company, primarily in US Dollar and Euro. The currencies in which these transactions primarily are denominated is US Dollar and Euro. The company's exposure to foreign currency risk is as follows:

	US Dollar	Euro	GBP	Rupees
Trade debts 2026	6,454,539	-	-	1,794,684,497
Trade Creditors 2026	343	-	-	95,374
Cash at Bank 2026	32,045	-	5,875	11,072,083
Trade debts 2025	7,274,033	136,619	-	2,108,307,458
Trade Creditors 2025	1,888,997	-	-	536,664,053
Cash at Bank 2025	345,027	-	5,875	102,687,164

The following significant exchange rates applied during the year.

	Average rates		Reporting date rates	
	2026	2025	2026	2025
US Dollar to Rupee	281.08	281.45	278.05	284.10
Euro to Rupee	350.41	315.62	316.95	332.83
GBP to Rupee	378.82	370.75	367.98	389.65

Sensitivity analysis

10% weakening of Pak Rupee against the following currencies at June 30, would have increased / (decreased) equity and profit and loss by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. 10% weakening of Pak Rupee against the above currencies at periods ends would have had the equal but opposites effect on the above currencies to the amount shown below, on the basis that all other variables remain constant.

	2026 Rupees	2025 Rupees
US Dollar	180,349,923	162,791,080
Euro	-	4,547,103
GBP	216,188	228,919

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the company.

41.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from short and long term borrowings from bank and term deposits and deposits in PLS saving accounts with banks. At the reporting date the interest rate profile of the company's interest bearing financial instrument is as follows.

Fixed rate instruments

Financial assets

-	-
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Variable rate instruments

Financial assets

346,984,767	696,149,483
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Financial liabilities

1,205,388,130	2,296,506,744
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Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for June 30, 2026.

	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Rupees			
Cash flow sensitivity - variable rate instruments 2026	12,053,881	(12,053,881)	-	-
Cash flow sensitivity - variable rate instruments 2025	22,965,067	(22,965,067)	-	-

41.3.3 Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to other price risk.

41.4 Fair values

Fair value is a price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

41.5 Fair value of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and liabilities. The fair value of financial assets measured at fair value is shown below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Carrying Amount			Carrying Amount		
	2026			2025		
	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income
Rupees						
Financial assets						
Long Term Loans And Advances	18,017,116	-	-	28,153,616	-	-
Long term deposits	24,142,165	-	-	30,163,335	-	-
Trade debts	1,776,419,115	-	-	2,088,285,763	-	-
Loans and advances	14,990,587	-	-	13,643,769	-	-
Trade deposits and short term prepayments	11,153,031	-	-	17,631,993	-	-
Other receivables	181,578,535	-	-	218,858,181	-	-
Short term Investment	-	28,605,112	-	-	246,543,690	-
Cash at banks	457,547,408	-	-	824,933,145	-	-
	2,483,847,957	28,605,112	-	3,221,669,802	246,543,690	-

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Financial Liabilities

Long term financing	28,395,487	-	-	32,508,410	-	-
Short term borrowings	1,176,992,643	-	-	790,000,374	-	-
Accrued markup / interest	2,439,399	-	-	161,392	-	-
Trade creditors	1,967,755,533	-	-	1,908,921,758	-	-
Accrued liabilities	307,284,455	-	-	250,555,640	-	-
Unclaimed dividend	3,956,186	-	-	3,964,601	-	-
Lease Liability	6,498,373	-	-	6,200,627	-	-
Bank overdraft	-	-	-	27,697,886	-	-
Other payables	3,452,435	-	-	3,452,435	-	-
	<u>3,496,774,511</u>	<u>-</u>	<u>-</u>	<u>3,023,463,123</u>	<u>-</u>	<u>-</u>

The basis for determining fair values is as follows:

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are fixed rate instruments, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.

41.6 Off balance sheet items

Bank guarantees issued in ordinary course of business	22,997,600	22,997,600
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41.7 The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial

42 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing, long term financing from directors and others and short term borrowings. Total capital employed includes total equity as shown in the statement of financial position plus borrowings.

		2026	2025
Total equity	Rupees	9,013,034,896	8,877,957,050
Total borrowing	Rupees	1,205,388,130	850,206,671
Total capital employed	Rupees	<u>10,218,423,026</u>	<u>9,728,163,721</u>
Gearing ratio	Percentage	<u>11.80%</u>	<u>8.74%</u>

43 MEASUREMENT OF FAIR VALUES:

A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and financial liabilities. The carrying value of financial assets and financial liabilities approximates their fair values.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

-Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There were no transfers between different levels of fair values mentioned above. The respective basis of valuation at fair values are disclosed in notes to the account wherever applicable.

44 ANNUAL PRODUCTION CAPACITY

The plant capacity are indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.

45 Shariah Disclosures Under Clause Vii Of Part 1 Of Schedule Iv Of The Companies Act, 2017

	2026	2025
Statement of Financial Position		
Liabilities:		
Long term financing-islamic mode	28,395,487	32,508,410
Short term financing-islamic mode	1,176,992,643	790,000,374
Accrued Markup-Islamic Financing	2,439,399	161,392
Assets:		
Sharia-Compliant bank balances	456,189,181	823,109,610
Sharia-Compliant mutual fund investment	28,605,112	246,543,690
Statement of Profit or Loss		
Revenue earned from a Shariah-compliant business segment;	11,466,382,601	12,574,912,725
Profit earned from Sharia-Compliant bank balances	47,423,180	74,538,230
Profit earned from Sharia-Compliant mutual fund investment	33,317,248	50,536,535
Exchange gain earned from actual currency	124,058,297	162,813,584
Markup paid on islamic mode of financing	20,949,870	9,244,655
Breakup of income		
Sharia-Compliant income		
Profit on saving accounts	47,423,180	74,538,230
Profit on mutual fund investment	33,317,248	50,536,535

45.1 Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Name	Relationship
Bank Al-Habib	Long term financing, short term financing and accrued markup and bank balances.
ABL Funds	Short term investments.
Alfalsh Asset Management Limited	Short term investments.
Faysal Funds	Short term investments.
HBL Asset Management Limited	Short term investment.
Dubai Islamic Bank	Bank balances.
Century Insurance Limited	Takaful operations.
EFU General Insurance Limited	Takaful operations.

46 GENDER PAY GAP

The mean gender pay gap and median gender pay gap for the year ended June 30, 2026 is (41.27) (2025: -52.93) and NIL (2025:1.27) respectively.

47 SEGMENT RESULTS

47.1 Products and services from which reportable segments derive their revenues

Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The Company's reportable segments are as follows:

Segment
Garments
Towels

Information regarding Company's reportable segments is presented below:

47.2 Information about reportable segments:

	GARMENT DIVISION 2026	TOWEL DIVISION 2026	TOTAL	GARMENT DIVISION 2025	TOWEL DIVISION 2025	TOTAL
Sales-Net	6,570,120,192	4,565,520,140	11,135,640,332	7,251,572,674	5,095,429,204	12,347,001,878
Cost of sales	(5,419,375,104)	(4,251,935,761)	(9,671,310,865)	(6,419,076,588)	(4,769,866,413)	(11,188,943,001)
Gross profits	1,150,745,088	313,584,379	1,464,329,467	832,496,086	325,562,791	1,158,058,877
Distribution cost	(441,136,431)	(93,989,215)	(535,125,646)	(370,211,319)	(129,353,494)	(499,564,813)
Segment result	709,608,657	219,595,164	929,203,821	462,284,767	196,209,297	658,494,064
Unallocated / expenses / income						
Administrative expenses			(551,871,872)			(484,800,989)
Other operating expenses			(35,277,885)			(39,622,685)
Other income			89,750,636			131,459,874
Finance cost			(41,409,921)			(29,640,967)
Profit Before Levies And Taxation			390,394,779			235,889,298
Levies			(58,324,342)			(110,009,353)
Profit before taxation			332,070,437			125,879,944
Income tax			(181,188,866)			160,829,089
Profit for the year			150,881,571			286,709,033

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47.3 SEGMENT ASSETS AND LIABILITIES

	GARMENT DIVISION	TOWEL DIVISION	TOTAL
As at June 30, 2026			
Segment assets	7,976,284,491	3,583,548,105	11,559,832,596
Segment liabilities	1,789,650,998	881,469,895	2,671,120,893
As at June 30, 2025			
Segment assets	7,305,353,918	3,282,115,528	10,587,469,446
Segment liabilities	1,677,821,979	826,389,930	2,504,211,909

47.4 Reconciliation of segment assets and liabilities with total assets and liabilities in the statement of financial position is as follows.

	2026 Rupees	2025 Rupees
Total for reportable segments assets	11,559,832,596	10,587,469,446
Unallocated assets	1,508,148,728	1,799,952,860
Total assets as per statement of financial position	13,067,981,324	12,387,422,306
Total for reportable segments liabilities	2,671,120,893	2,504,211,909
Unallocated liabilities	1,383,825,535	1,005,253,347
Total liabilities as per statement of financial position	4,054,946,428	3,509,465,256

47.5 Geographical Information

The geographical information analyses the entity's revenue and non current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

Europe	6,166,418,433
USA	4,927,007,701
Asia	114,109,343
South America	134,788,828
Pakistan	21,462,858
Exchange gain	124,058,297
Gross sales PKR	11,487,845,459
Export rebate	132,836,500
Commission & discount	(481,343,788)
Sales tax	(3,697,839)
Total sales-net PKR	11,135,640,332

47.6 During the year, sales amounting to Rs. 5.26 Billions (2025: Rs. 6.71 Billions) were made to two significant external customer, which accounted for more than 10% of the Company's total sales.

48 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2025	Financing Cash Inflows	Financing Cash Outflows	Non Cash Changes	2026
Long Term Loans	32,508,410	-	(4,112,924)	-	28,395,486
Short Term Borrowings	290,000,374	2,048,539,805	(1,661,547,536)	-	1,176,992,643
Bank Overdraft	27,697,886	-	(27,697,886)	-	-
Unclaimed Dividend	3,964,601	-	(8,415)	-	3,956,186
Lease liabilities	6,200,626	-	-	297,746	6,498,372

49 NUMBER OF EMPLOYEES

Total and average number of employees at year end and during the year respectively are as follows:

	2026	2025
Total number of employees at June 30 - Factory	1589	2217
Total number of employees at June 30 - Head Office	123	136
Total	1712	2353
Average number of employees during the year - Factory	1836	2083
Average number of employees during the year - Head Office	129	134
Total	1965	2217

50 NON ADJUSTING EVENTS AFTER THE REPORTING PERIOD

In respect of current period, the board of directors in their meeting held on September 28, 2026 has proposed to pay cash dividend @ Nil% i.e. PKR Nil per ordinary share of PKR 10 each.

51 CORRESPONDING FIGURES

Corresponding figures have been rearranged & reclassified, where considered necessary, to comply with the requirements of Companies Act, 2017. Major Reclassification has been disclosed below

Reclassification			Nature	Rupees
Note	From	To		
37	Levies	Income Tax	Better Presentation	56,026,756

52 GENERAL

Figures have been rounded off to the nearest rupees.

53 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the board of directors of the company on September 28, 2026


Mehreen Obaid Agha
Chief Executive Officer

Karachi
September 28, 2026


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

PATTERN OF HOLDING OF THE SHARES HELD BY SHAREHOLDERS AS ON JUNE 30, 2026

AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE

Number of SHAREHOLDERS	SHARE HOLDINGS		TOTAL SHARES HELD	PERCENTAGE
	From	To		
1001	1	100	15655	0.0921
278	101	500	89346	0.5256
130	501	1000	112391	0.6611
178	1001	5000	419011	2.4648
23	5001	10000	179700	1.0571
11	10001	15000	141146	0.8303
4	15001	20000	72242	0.4250
2	20001	25000	46296	0.2723
1	25001	30000	29818	0.1754
3	30001	35000	97997	0.5765
1	35001	40000	40000	0.2353
1	40001	45000	44236	0.2602
1	55001	60000	56481	0.3322
1	80001	85000	84868	0.4992
1	95001	100000	97406	0.5730
2	465001	470000	937648	5.5156
1	525001	530000	526000	3.0941
3	2455001	2460000	7379247	43.4073
1	2645001	2650000	2647043	15.5708
1	3980001	3985000	3983469	23.4322
1644			17000000	100.0000

CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2026

	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE OF HOLDING
1	GENERAL PUBLIC (LOCAL)	1532	16123491	94.8441
2	GENERAL PUBLIC (FOREIGN)	93	107693	0.6335
3	INSURANCE COMPANIES	1	526000	3.0941
4	PUBLIC SECTOR COMPANIES	10	89523	0.5266
6	ASSOCIATED COMPANIES	4	50800	0.2988
7	OTHERS	4	102493	0.6029
	COMPANY TOTAL	1644	17000000	100.0000

CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2026

Categories of Shareholders	No. of Share holders	Shares Held	Percentage
DIRECTORS, CEO & SPONSORS			
Ms. Mahjabeen Obaid	1	2,647,043	15.5708
Ms. Mehreen Obaid Agha	1	2,459,748	14.4691
Ms. Sana Bilal	1	2,459,748	14.4691
Ms. Hadeel Obaid	1	2,459,751	14.4691
Mr. Zeeshan K. Sattar	1	468,448	2.7556
Muhammad Sarfraz	1	500	0.0029
Niaz Muhammad	1	100	0.0006
Humza Shaikh Obaid	1	3,983,469	23.4322
INSURANCE COMPANY			
National Insurance Company Ltd	1	526000	3.0941
ASSOCIATED COMPANIES			
Iftikhar Corporation	1	10000	0.0588
Chenab Textile Corporation	1	15800	0.0929
Ranjha Linen	1	10000	0.0588
Fine Fabrico	1	15000	0.0882
PUBLIC SECTORS/ OTHERS COMPANIES			
Y.S. Securityies & Services Pvt Ltd	1	1,000	0.0059
Garibsons (Pvt) Ltd	1	32,614	0.1918
Burma Oil Mills Ltd	1	2,000	0.0118
MRA Securities Limited	1	33,383	0.1964
HH Misbah Securities (Private) Limited	1	2,000	0.0118
B & B Securities (Private) Limited	1	11	0.0001
NCC - Pre Settlement Delivery Account	1	3,955	0.0233
Mian Nazir Sons Industries (Pvt) Limited	1	8,000	0.0471
MRA Securities Limited - MF	1	5,200	0.0306
K & I Global Capital (Private) Limited	1	1,360	0.0080
Alpha Alliance (Pvt) Ltd	1	2,300	0.0135
Alpha Alliance (Pvt) Ltd	1	97,406	0.5730
Technology Links (Pvt) Ltd	1	2,500	0.0147
Mindstorm Studios (Private) Limited	1	287	0.0017

GENERAL PUBLIC			
Local	1524	1,644,684	9.6746
Foreign	93	107,693	0.6335
Total	1644	17,000,000	100.0000

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING RIGHTS IN THE LISTED COMPANY

Mahjabeen Obaid	2,647,043
Mehreen Obaid Agha	2,459,748
Sana Bilal	2,459,748
Hadeel Obaid	2,459,751
Humza Shaikh Obaid	3,983,469

CORPORATE GOVERNANCE**CORPORATE SOCIAL RESPONSIBILITIES**

The Company recognizes its role as a contributor to the social well-being of the communities in which it operates. It believes that helping to build a healthier and better society also fosters a more positive and supportive business environment.

The Company has continued to distribute ration packets to disadvantaged people within and outside the organization, while also supporting causes in health, mental health, education, animal welfare and the environment. During the year, contributions were made to Lady Dufferin Hospital, The Citizen Foundation and SOS Children's Village, as well as to various orphan houses and general charities supporting deserving individuals. The Company also continues to support the education of children of its deserving employees.

In recent years, the Company has taken part in the International Labor Organization (ILO) Sustaining Competitive and Responsible Enterprises Development Program (SCDP), the Human Rights and Environmental Due Diligence (HREDD) Project, and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Decent Future of Skills (DFS) initiative. It has also supported the Karachi Down Syndrome Program (KDSP), which educates and empowers children with Down syndrome and promotes equal opportunity.

To advance women's empowerment, the Company has joined leadership training programs organized by GIZ in collaboration with the Lahore University of Management Sciences (LUMS), held awareness sessions on grievance handling and harassment, and arranged self-defence training for women employees.

To develop skills, the Company has run On-the-Job Training Courses (OJTC) in areas such as industrial machine operation, quality control and fabric cutting, and has provided a dedicated training room for unskilled trainees.

Together, these initiatives reflect the Company's vision of a progressive, inclusive and sustainable workplace culture that contributes positively to society at large.

HEALTH, SAFETY AND ENVIRONMENT

The Company remains committed to providing a healthy and safe environment for all and to complying with environmental standards at its production facilities. Its responsibility extends across the value chain, and it continues to integrate sustainability into its operations. The Company also seeks to provide a secure and supportive workplace for its associates, with an emphasis on reducing its carbon footprint, conserving natural resources and maintaining responsible business practices.

In recent years, the Company has invested in advanced dyeing and processing machinery, which has increased production capacity and efficiency while significantly reducing water and power consumption. These investments continue to deliver lower carbon emissions and better resource conservation. The biomass boiler system is also operating successfully, generating steam from clean, renewable energy and reducing reliance on fossil fuels. During the year, the Company further strengthened its water management by installing a reverse osmosis (RO) plant at its factory.

The Company places a high priority on employee health and well-being. It takes part regularly in blood donation drives, reflecting its commitment to community health, and its entire workforce is covered by comprehensive medical insurance for both routine and emergency needs.

To ensure workplace safety, the Company maintains and continually upgrades the firefighting systems across its facilities, supported by regular fire drills, safety inspections and fumigation drives. Investments in new boiler systems, together with strict maintenance protocols, provide additional protection for workers and staff.

Environmental protection remains central to the Company's strategy, given the risks associated with textile dyeing and printing. Its effluent treatment plants are designed and operated to meet and exceed regulatory standards, so that wastewater is treated responsibly before discharge, protecting both employees and the surrounding ecosystem.

In line with its clean energy initiatives, the Company has installed solar power systems across most of its premises, and during the year it added a further 340 kW of solar capacity within its factories. These installations reduce dependence on grid electricity and support the production of sustainable, green energy. The Company has also installed a smart MRT hanging rail system, which has improved automation in manufacturing, contributing to cost efficiency and sustainability.

Human Resources and Operational Excellence

The Company regards its employees as its greatest asset and the core strength of its business. Towellers believes in nurturing, investing in and promoting its workforce. The management holds that strong human resource practices and effective leadership are essential to productivity and long-term competitive advantage. The Company therefore places great emphasis on developing its human capital through structured training and guidance.

In the recent past, the Company secured first place in a national lean manufacturing program, where its productivity, quality and lean management practices set it ahead of the other participants. It remains committed to professional training initiatives that groom and develop its workforce. The Directors have likewise undertaken structured training programs to stay conversant with corporate governance requirements, evolving regulations and the challenges of a dynamic business environment.

In the previous year, the Company introduced Neem Pay, a digital, app-based platform through which employees can apply for salary advances. The platform has significantly reduced the administrative effort of handling numerous advance requests and employee accounts. It has also improved transparency and record-keeping, given employees greater control over their financial needs, and made processing quicker, with less paperwork and more accurate payroll transactions.

The Company operates an internationally licensed ERP system for its financial and supply chain modules, and it has now started extending the system to its production processes. This is expected to improve visibility, control and efficiency across operations.

The Company continues to strengthen its internal processes and controls to improve efficiency and reduce costs. Examples of ongoing improvements include replacing imported paper with local alternatives, tighter controls over sharp tool inventories, adoption of 5S practices, thread and fabric wastage control systems, and a shift to digital records to reduce paper consumption. These measures improve operational performance and also contribute to sustainability.

Whistleblowing Policy

The Company is committed to a culture of accountability, integrity and ethical conduct. To support this, it has implemented a whistleblowing policy that gives employees a clear and secure channel to report suspected misconduct, malpractice or impropriety.

The policy sets out how concerns are to be reported, how they are reviewed and investigated, and the safeguards that protect whistleblowers from retaliation. It also provides for periodic monitoring so that the policy remains effective and relevant. Employees are encouraged to use this framework with confidence, knowing that their input helps strengthen governance and improve overall service quality.

Insider Trading

The Company has established strict guidelines to ensure that all employees, officers, Directors and other relevant persons follow ethical practices when trading in its shares. Under these guidelines, no employee or spouse may trade in the Company's shares during the closed period before the announcement of financial results. Employees classified as executives under the Code of Corporate Governance must also promptly notify the management of any share transactions carried out by themselves or their spouses outside the closed period.

Policy for Safeguarding of Records

The Company's policy for safeguarding records goes beyond regulatory requirements and is part of its Business Continuity Plan. It ensures that records of significant or permanent value are kept securely, efficiently and in an easily retrievable form for longer than the legally required period.

SHAREHOLDERS' INFORMATION

Registered Office

Towellers House, WSA, 30-31,
Block-1, F.B. Area, Karachi
Tel: +92-21-36322500,
+92-21-36325500, 36323434
+92-21-36323100, 36326600
Mob: +92-324-8282371, 301-8240064

Exchange Listing

Towellers Limited (the Company) is listed on Pakistan Stock Exchange Limited (PSX).

Stock Symbol

The stock code for dealing in shares of the Company at Pakistan Stock Exchange Limited is TOWL.

Listing Fees

The annual listing fee for the financial year 2026-27 was paid to the PSX and Central Depository Company of Pakistan Limited within the prescribed time limit.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all return / forms and furnished all relevant particulars / information as required under the Companies Act, 2017 and allied rules, the listing requirements and any other relevant laws and regulations prescribed by the Securities and Exchange Commission of Pakistan (SECP).

Annual General Meeting

Date: 53rd AGM of October 28th 2026
Time: 3:30 p.m.
Venue: W.S.A, 30-31, Block-1, F.B. Area, Karachi

Financial Calendar

Period	Financial Results
1 st Quarter – September 2025	October 29, 2025
2 nd Quarter/Half Yearly – December 2025	February 25, 2026
3 rd Quarter – March 2026	April 28, 2026
4 th Quarter/Annual – June 2026	September 28, 2026

Dates of Book Closure

The register of the members and shares transfer books of the Company will remain closed from October 21st 2026 to October 28th, 2026 (both days inclusive).

E-Dividend Mandate (Mandatory)

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders, in order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website i.e. <http://towellers.com> and send it duly signed along with a copy of CNIC to the Registrar of the Company, M/S THK (Pvt.) Limited Plot No 32-C, Jami Commercial Street – 2, DHA, Phase – VII, Karachi Pakistan, in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services. In case of non-receipt of IBAN detail, the Company will be constrained to withhold payment of dividend under Companies (Distribution of Dividends) Regulations, 2017.

Withholding of Tax & Zakat on Dividend

As per the provisions of Section 150 of the Income Tax Ordinance, 2001, the withholding tax is deductible at source on the amount of dividend paid by the Company at the rate of 15% for filers and at the rate of 30% for non-filers. In case of joint shareholder, each shareholder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each shareholder as may be notified by the shareholders, in prescribed format, to our share registrar, or if no such notification is received each shareholder shall be assumed to have an equal number of shares. The required information must reach the shares registrar of the Company by the close of business on October 20th, 2026 otherwise it will be assumed that the shares are equally held by principal shareholder and Joint shareholder(s).

In the light of clarification from Federal Board of Revenue, all the shareholders who intends to seek exemption from withholding of taxes on payment of dividend under clause 47B of Part – IV of the Second Schedule of the Income Tax Ordinance, 2001 duly issued by the concerned Commissioner of Inland Revenue in order to claim the said exemption.

Zakat is also deducted at source from the dividend at the rate of 2.5% of the paid-up value, other than corporate holders or individuals who have provided an undertaking for non-deduction of zakat.

Share Transfer System

The Company's shares department is operated by THK Pvt Limited. It is managed by a team of well-experienced professionals and is equipped with the necessary infrastructure and has in place the comprehensive set of systems and procedures for operational activities pertaining to shares and conducting the Registration function.

Proxies

According to section 137 of the Companies Act, 2017 and Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a General Meeting of the Company can appoint another member as his/her proxy to attend and vote instead of him/her. Every notice calling a General Meeting of the Company contains a statement that a shareholder entitled to attend, and vote is entitled to appoint a proxy who sought to be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the company/share registrar not less than forty-eight hours before the meeting.

Annual General Meeting

In pursuance of section 132 of the Companies Act, 2017, the Company holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all shareholders at least 21 days before the meeting and advertised in at least one English and Urdu newspaper.

All shares issued by the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. The voting by show of hands operates on the principle of "One Member-One Vote". If majority of the shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

Website of The Company

The Company is operating the website www.towellers.com containing updated information regarding the Company. The website contains the financial results of the Company together with the Company's profile.

Change of Address / Email Address

All registered shareholders should send information of changes of addresses and e-mail address, if any to the share registrar of the Company:

M/s. THK Pvt Limited
Plot No 32-C,
Jami Commercial Street – 2,
DHA, Phase – VII, Karachi-75500
UAN-+92(021) 111-000-322

Shares Trading By Directors / Executives**During FY 2025-26**

Following shares transactions were made by Directors, Executives and their family members during the financial year July 1, 2025 to June 30, 2026

No. of Shares	
No. of Shares	Purchase / Sale
-	-

Free Float of Shares**As at June 30, 2026**

S-No.	Category of Shareholders	Shares Held
1	Total Outstanding Shares	17,000,000
2	Directors / Sponsors/Senior Management Officer	14,009,759
3	Physical Shares	69,177
4	Free Float	2,921,064

DIVIDEND MANDATE LETTER**Valued Shareholder,****Electronic Payment of Cash Dividends**

In accordance with Section 242 of the Companies Act, 2017, and the Companies (Distribution of Dividends) Regulations, 2017, issued by the Securities and Exchange Commission of Pakistan (SECP), it is mandatory for listed companies to pay cash dividends to shareholders only through electronic transfer directly into their bank accounts.

In this connection, it is necessary to provide complete bank mandate details including IBAN number to credit the proceeds of the future dividends into your bank account. You are therefore required to provide complete bank mandate details with IBAN otherwise future dividend may be withheld.

For shareholders holding physical share certificates:

Please complete and submit the attached e-dividend mandate form to the Company's Share Registrar at the following address:

THK Associates Pvt Ltd
Plot # 32-C, Jami Commercial
Street # 2, D.H.A.
Karachi-75500

Phone: +92(021) 111-000-322

E-mail: sfc@thk.com.pk**For shareholders holding shares electronically through the Central Depository Company (CDC):**

Please submit your e-dividend mandate form to Investor Account Services or your respective broker.

The e-dividend mandate form is enclosed to the printed Annual Report and is also available on the Company's website at <https://www.towellers.com>

For any queries or additional information, please contact the Company's Share Registrar at the phone number or email address provided above.

E-DIVIDEND MANDATE FORM

The Company Secretary
Towellers Limited
W.S.A. 30,31 Block-1,
F.B. Area
Karachi

Subject: Bank Account Details for the Payment of Dividend Through Electronic Mode

Dear Sir,

I / We _____ being a / the shareholder(s)
Of the Towellers Limited (the "Company") hereby, authorized the Company, to directly credit
cash dividends declared by it, in my bank account as detailed below:

Shareholder's details:	
Name of Shareholder(s)	
CDC Participant ID & Sub-Account No.	
Folio No. (physical / CDC)	
CNIC / NTN No. / Passport (attach copy)	
Shareholder's address	
Mobile Number	
Landline Number	
E-mail Address	
Shareholder's bank account details:	
Title of Bank Account	
Bank Account (IBAN 24-digits starting with PK)	
Bank Name	
Bank's Complete Address	
Bank / Branch Code	

It is stated that the above particulars given by me are correct and I shall keep the
Company, inform in Case of any Changes in the said particulars in future.

Yours sincerely,

Signature of Shareholders

(This signature should agree with the specimen registered with the Company)

Notes:

- I. Please affix company stamp in case of corporate entity.
- II. Please provide complete IBAN, after checking with your concerned branch to enable
electronic credit directly to your bank account.

Standard Request Form Circulation of Annual Report

The Company Secretary,
Towellers Limited
W.S.A, 30,31 Block No. 1
F.B. Area,
Karachi.

The Registrar
M/s THK Associates Pvt Ltd
Plot # 32-C, Jami Commercial
Street # 2,
Karachi-75500

Dear Sir,

Subject: Request for Hard Copy of Annual Report of Towellers Limited

As notified by the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 389(1)/2023 dated March 21, 2023 and approved by the Shareholders in the Annual General Meeting of the Company held on October 26, 2023, the Company shall circulate its annual statement of financial position, statement of financial position, statement of profit or loss and other comprehensive income, report on the audit of the financial statements and directors' report to shareholders etc. ("Annual Report") to its members through QR enabled code and weblink instead of transmitting the same through USB / DVD / CD, save for those who opt for a hardcopy of the Annual Report by filling out the details below and sending it to the Company's Share Registrar and the Company Secretary.'

I. ----- S/o. D/o. W/o ----- being
A registered shareholder of Towellers Limited with the particulars as mentioned below would request that my name be added to the list of Shareholders of the Company who opt for delivery of a hardcopy of the Annual Report of the Company and hereby request you send to me the Annual Report in hard copy form at my registered address as contained in the member register.

Particulars	
Name of Shareholder	
Folio No./CDC ID No.	
CNIC/NICOP/Passport No.	
Land Line Telephone No. (if any)	
Cell No. (if any)	

Yours Truly,

Shareholder's Signature

CONSENT FOR RECEIVING FINANCIAL STATEMENTS THROUGH EMAIL

Ref. S.R.O 787 (1)/2014 – Dated September 8, 2014

THK Associates Pvt Ltd
Share Registrar: Towellers Limited
32-C, Jami Commercial Street # 2, D.H.A
Karachi-75500
UAN: +92(021) 111-000-322
Email: sfc@thk.com.pk

I/We _____, being member(s) of Towellers Limited and holder(s) of _____ Ordinary shares as per Register Folio/CDC No. _____, hereby consent to receive Annual Balance Sheet, Profit and Loss Account, Auditor's Report and Director' Report etc. (Audited Financial Statements) along with notice of Annual General Meeting (Notice) through e-mail at the following email address:

Email Address: _____

Shareholder 1**Shareholder 2**

Signaturte.....

Signaturte.....

Date.....

Date.....

Note: In case, your shareholding is maintained in CDC account, kindly forward the above mentioned information to your concerned Participant / CDS Investor Account Services to upgrade your CDC account.

INVESTORS' EDUCATION

In compliance with the securities and Exchange Commission of Pakistan's SRO 924(1)2015 dated September 9, 2015, Investors attention is invited to the following information message:

www.jamapunji.pk



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Online Quizzes

- Stock trading simulator
(based on live feed from PSX)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device

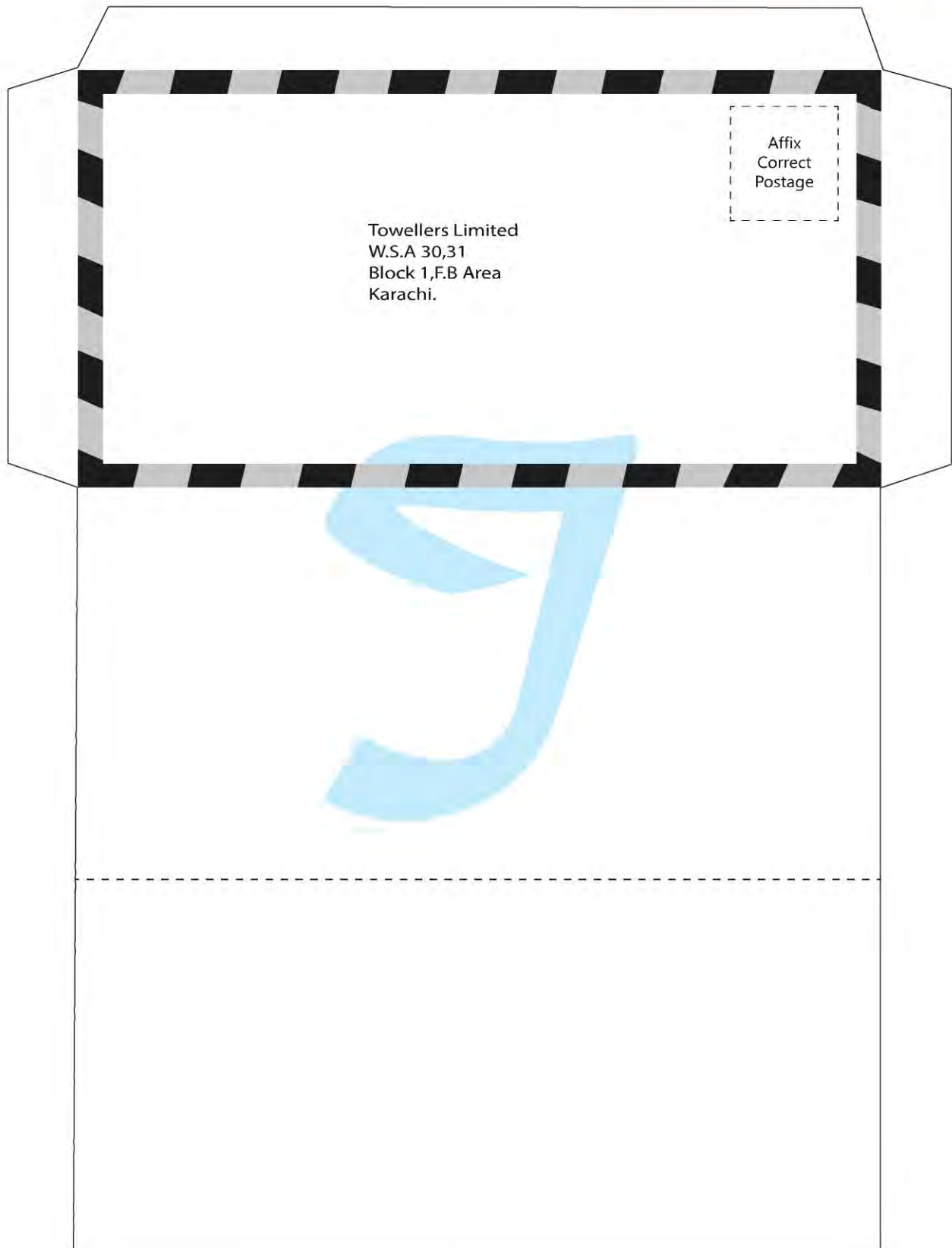


Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

[jamapunji.pk](https://www.facebook.com/jamapunji.pk)

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



COMPOSITION OF THE BOARD

In line with the requirements of the Code of Corporate Governance (CCG), the Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board.

The current composition of the Board is as follows:

Total Number of Directors: are 8 including:

A. MALE	4.
B. FEMALE	4.

Composition of the Board:

Independent Directors:	2.
Non-executive Directors:	4.
Executive Directors:	2.

During the year under review four meetings of the Board of Directors were held and the attendance by each director was as follows.

<u>NAME OF DIRECTOR</u>	<u>CATEGORY</u>	<u>NO OF MEETING ATTENDED</u>
Mehreen Obaid Agha	Executive Director	3
Mahjabeen Obaid	Non-Executive Director	3
Sana Bilal	Executive Director	4
Hadeel Obaid	Non-Executive Director	4
Zeeshan K. Sattar	Non-Executive Director	4
Muhammad Sarfraz	Independent Director	2
Niaz Muhammad	Independent Director	2

Ms Mahjabeen Obaid hold the position of Chairperson of the Board while Ms Mehreen Obaid Agha is Chief Executive Officer of the Company.

COMMITTEES OF THE BOARD

The Board has formed sub committees namely Audit Committee and Human Resource and Remuneration Committees.

AUDIT COMMITTEE

The Board has constituted Audit committee consist of three members including Chairman of the Committee. The Committee regularly meets as per requirement of the Code. The Committee assists the Board in reviewing internal audit system. The committees comprising of members given bellows.

Audit Committee

Muhammad Sarfraz	Chairman
Hadeel Obaid	Member

Zeeshan K Sattar Member

During the year Four (4) meetings of Audit Committee were held in which the attendance by each Director is as follows.

Name of Directors	Number of Meetings attended
Muhammad Sarfraz	2
Hadeel Obaid	4
Zeeshan K Sattar	4

HUMAN RESOURCE COMMITTEE

The Board has constituted a HR and Remuneration Committee in compliance with the code of Corporate Governance. The HR and Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board.

During the year under review one meeting of the HR&R Committee was held ending June 30, 2026

Niaz Muhammad	Chairman
Mehreen Obaid agha	Member
Valy Tariq Rangoonwala	Member

Leave of absence was granted to director who was unable to attend the meeting

COMPLIANCE WITH THE BEST PRACTICES OF CORPORATE GOVERNANCE

The Board is pleased to state that the management of the Company is compliant with the best practices of corporate governance. The Board acknowledges its responsibility in respect of the corporate and financial reporting framework and thus states that:

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements except as disclosed and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards and International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the regulations of Rule Book of Pakistan Stock Exchange.
- The highlights of operating and financial data for the last six years are annexed in the Annual Report 2026.

اراکین کیلئے ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے 30 جون 2026 کو مکمل ہونے والے سال کیلئے کمپنی کے پڑتا ہوا شدہ مالی گوشوارے پیش کرنے میں ہمیں انتہائی مسرت ہو رہی ہے۔ یہ مالی گوشوارے اکاؤنٹنگ کے عالمی معیارات کے تقاضوں اور کنٹینر ایکٹ 2017 کے سیکشن 227 کی دفعات کے مطابق تیار کئے گئے ہیں۔

اقتصادی جائزہ

عالمی معاشی صورتحال

مالی سال کے دوران عالمی معیشت میں غیر یکساں ترقی اور اتار چڑھاؤ دیکھا گیا۔ علاقائی تنازعات کے باعث سیلابی جھڑپیں خلیل جاری رہا جس کی بدولت توانائی کی قیمتوں، فریٹ چارجز اور انشورنس پریمیوز میں اتار چڑھاؤ دیکھنے کو ملا۔ سال کے بیشتر حصے میں ٹیرف اقدامات میں اضافہ امریکہ اور چین کے درمیان تجارتی تناؤ اور روس اور یوکرائن کے درمیان جاری کشیدگی نمایاں رہی۔ امریکہ اور ایران کے درمیان کشیدگی نے مالی سال 2026 میں صورتحال کو اور زیادہ بگاڑ دیا جس سے آبنائے ہرمز کے ذریعے جہازوں کی آمد و رفت متاثر ہوئی۔ بلند شرح سود، تجارتی پالیسی کی غیر یقینی صورت حال اور حفاظتی اقدامات نے عالمی اقتصادی سرگرمی کو مزید محدود کر دیا۔ نتیجتاً آئی ایم ایف کی طرف سے 2026 کیلئے عالمی افراط زر کی شرح 4.7 فیصد تخمینہ کے ساتھ لاگتی دیاؤ نے افراط زر میں کمی کے عالمی رجحان کو متاثر کیا۔

پاکستانی معیشت

مالی سال 2025-26 میں مشکل بیرونی ماحول کے باوجود پاکستان میں آئی ایم ایف کے معاون اصلاحاتی پروگرام کے تحت میکرو اکنامک استحکام کا سلسلہ جاری رہا۔ ملک کے زرمبادلہ کی شرح مستحکم رہی، غیر ملکی زرمبادلہ کے ذخائر میں اضافہ ہوا، بیرونی حسابات مستحکم رہے اور مالی نظم و نسق مزید بہتر ہوا۔ تاہم سال کے دوران افراط زر کی شرح زیادہ رہی جو گزشتہ میں 4.49 فیصد کے مقابلے میں اوسط افراط زر 7.05 فیصد رہی جبکہ جون 2026 تک افراط زر سال بہ سال کی بنیاد پر 11.1 فیصد تک پہنچ گئی۔ سال کے اختتام پر پالیسی ریٹ 11.5 فیصد رہا۔ سال کے اختتام تک جیو پالیٹیکل تنازعات اور علاقائی تجارت میں خلل سے عالمی فیول، فریٹ اور انشورنس کی لاگت میں تیزی سے اضافہ ہوا عارض حقیقی جی ڈی پی کی شرح نمو بہتری کے بعد 3.7 فیصد ہو گئی جسے خدمات، زراعت اور صنعتی شعبوں میں وسیع پیمانے پر ہونے والی ترقی سے سہارا ملا۔ مضبوط مالیاتی و ذری انتظام اور ترسیلات زر نے ملکی اور بیرونی دونوں معاشی حالات کو مزید مستحکم کیا اس کے باوجود معاشی بحالی کمزور سرمایہ کاری، توانائی کی بلند لاگت اور ڈھانچہ جاتی مسائل کے باعث محدود رہی۔ درآمدی بل میں 7.89 فیصد اضافے کے باعث تجارتی خسارہ نمایاں طور پر بڑھا جبکہ برآمدات میں 5.97 فیصد کمی کے بعد گزشتہ سال کے 32,040 ملین ڈالر کے مقابلے میں 30,126 ملین ڈالر رہی۔ بیرون ملک مقیم پاکستانی کارکنوں کی ترسیلات زر میں 8.6 فیصد اضافہ ہوا جو 2026 میں ریکارڈ 41.6 ارب ڈالر تک پہنچ گئیں جس نے تجارتی خسارے میں اس اضافے کے اثرات کو بڑی حد تک کم کرنے میں اہم کردار ادا کیا۔

ٹیکسٹائل اور گارمنٹ انڈسٹری کا جائزہ

پاکستان کی ملبوسات اور ٹیکسٹائل شعبہ کی مالی سال 2026 میں مالی کارکردگی دیاؤ کا شکار رہی جو کمزور عالمی طلب، توانائی اور پیداواری لاگت کا مسلسل دیاؤ، بڑھتی ہوئی عالمی مسابقت اور جاری تجارتی اور جیو پالیٹیکل غیر یقینی صورتحال کا عکاس ہے۔ ٹیکسٹائل برآمدات 0.26 فیصد معمولی اضافہ سے 17.93 بلین ڈالر رہیں جو اس بات کی طرف اشارہ ہے شعبہ منفی بیرونی ماحول کے باوجود اپنی برآمدات میں کو بڑی حد تک برقرار رکھنے میں کامیاب رہا۔ اگرچہ اس شعبے نے برآمدات کے حجم اور مالیت کو برقرار رکھتے ہوئے مضبوط کارکردگی کا مظاہرہ کیا تاہم قلیل مدتی امکانات کا انحصار اہم بین الاقوامی منڈیوں میں بحالی، توانائی لاگت میں بہتر مسابقت، مستحکم شرح مبادلہ اور شعبہ کی جانب سے ویلیو ایڈیشن میں اضافے اور زیادہ منافع بخش ملبوسات و ٹیکسٹائل مصنوعات کی طرف پیش رفت پر ہے۔

کمپنی کی مالی اور آپریشنل کارکردگی

مالی سال 2026 کے دوران کمپنی کی خالص فروخت 9.8 فیصد کمی کے ساتھ گزشتہ سال میں 12.35 بلین روپے کے مقابلے میں 11.14 بلین روپے رہی۔ فروخت میں کمی اہم درآمدی منڈیوں میں طلب میں کمی اور عالمی سطح پر بہت زیادہ مسابقتی ماحول سے پیدا ہونے والے قیمتوں کے دیاؤ کا عکاس ہے۔ کمپنی کا منافع بھی بہت زیادہ آپریٹنگ لاگتوں سے متاثر ہوا۔

کمپنی کا بعد از ٹیکس منافع 150.88 ملین روپے رہا (مالی سال 2025: 286.71 ملین) جبکہ فی حصص آمدن 8.88 روپے فی حصص رہی (مالی سال 2025: 16.87 روپے)۔ فریٹ اخراجات میں اضافہ، بلند توانائی ٹیرف، کم از کم اجرت اور مجموعی ٹیکسوں کے بوجھ میں اضافے کی وجہ سے منافع پر دبا برقرار رہا۔ علاقائی برآمد کنندگان کی جانب سے سخت مسابقت کے ساتھ ساتھ ملک میں مہنگائی کے دیاؤ نے بھی کاروباری لاگت میں مزید اضافہ کیا۔ اس کے علاوہ جیو پالیٹیکل کشیدگی اور تجارتی غیر یقینی صورتحال جن میں بین الاقوامی شپنگ روٹس میں رکاوٹیں بھی شامل ہیں، نے عالمی طلب، لاجسٹکس کے اخراجات اور خریداروں کے رجحان کو متاثر کیا۔

ذیل میں نفع و نقصان کا خلاصہ جائزہ کیلئے پیش کیا جا رہا ہے

روپے ہزار میں

30 جون 2025	30 جون 2026	
12,347,002	11,135,640	خالص تنا فروخت
1,158,059	1,464,329	مجموعی منافع
499,565	535,126	ڈسٹری بیوٹن لاگت
484,801	551,872	انتظامی اخراجات
39,623	35,278	دیگر آپریٹنگ اخراجات
131,460	89,751	دیگر آمدنی
29,641	41,410	مالی لاگت
235,889	390,395	قبل از ٹیکس منافع

بعد از ٹیکس منافع	150,882	286,856
فی حصص آمدنی	8.88	16.87

ان مشکلات کے باوجود کمپنی نے منافع کمایا جو اس کے آپریشنل استحکام اور مشکل آپریٹنگ ماحول سے نبرد آزما ہونے کی اس کی قابلیت کا عکاس ہے۔ بورڈ، انتظامی ٹیم اور افرادی قوت بہتر مارجن کے ساتھ اضافی برآمدی کاروبار کے حصول پر توجہ مرکوز کئے ہوئے ہے تاکہ کمپنی کی آنے والی مدت میں مالی کارکردگی مضبوط ہو۔

پائیداری، شمولیت اور خود مختاری کے اقدامات

مالی سال 2026 کے دوران کمپنی نے ماحولیاتی پائیداری، متنوع افرادی قوت اور کمیونٹی کی ترقی کیلئے اپنے عزم کو مضبوط بنائے رکھا۔ ماحولیاتی تحفظ کیلئے کمپنی نے فوسل فیول پر اپنے انحصار کو کم کرنے کیلئے بائیو ماس بونکر کا آغاز کیا۔ کمپنی نے اپنی فیکٹریوں میں 340 کلو واٹ کے اضافی سولر پاور نصب کئے جس سے کمپنی کے کاربن کے اخراج میں 40 فیصد کمی ہوئی۔ کمپنی نے پانی کے انتظام کیلئے اپنے فیکٹری میں ریورس اوسموسز (آرو) پلانٹ قائم کئے ہیں۔ شمولیت اور صنفی خود مختاری کیلئے کمپنی نے لمز کی طرف سے GIZ کے اشتراک سے منعقد ویمن لیڈر شپ ٹریڈنگ ورکشاپ میں شرکت کی۔ ورکشاپ کا مقصد کام کی جگہ پر خواتین میں قائدانہ صلاحیت میں اضافہ، تذبذب پر ترقیاتی سوچ پیدا کرنا اور اعتماد سازی تھا۔ کمپنی نے اپنے عملے کے لیے سری لنکا کا مطالعاتی دورہ بھی منعقد کیا تاکہ وہ خواتین کو بااختیار بنانے کے طریقہ کار کے بارے میں آگاہی حاصل کر سکیں۔ اس کے علاوہ ہماری کوالٹی مینجمنٹ سسٹم (کیو ایم ایس) نے دیسکریکشن فار لائف۔ سال 3 تھیسس پروجیکٹ کے تحت کے ڈی ایس پی لرننگ سینٹر کے ساتھ کام کیا جو جامع تعلیم اور معذور افراد کو بااختیار بنانے کے لیے ہماری حمایت کو مزید دوام بخشتا ہے۔

یہ اقدامات کمپنی کے ذمہ دارانہ، جامع اور پائیدار کاروباری ماڈل کے ڈن کا عکاس ہیں جو عالمی بہترین طریقوں سے ہم آہنگ ہیں۔

شیئر ہولڈنگ کا نمونہ

کمپنی ایکٹ 2017 کے سیکشن (f)(2) 227 کے مطابق کمپنی کا 30 جون 2026 تک شیئر ہولڈنگ کا نمونہ رپورٹ کے ساتھ لگ ہے۔

ڈائریکٹر ٹینگ

کمپنی اپنے بورڈ ممبران کی پیشہ ورانہ ترقی میں گہری دلچسپی لیتی ہے۔ ڈائریکٹر کو کارپوریٹ گورننس اور دیگر ریگولیٹری تبدیلیوں سے متعلق قوانین اور موجودہ معاملات کے بارے میں تازہ ترین صورتحال سے آگاہ رکھا جاتا ہے۔ کمپنی کے پانچ ڈائریکٹرز نے سی سی جی تو اعد کی تعمیل کرتے ہوئے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (پی آئی سی جی) سرٹیفیکیشن مکمل کی ہے۔

منافع منقسمہ

سال کے دوران کم منافع اور کم منافع کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے 30 جون 2026 کیلئے منافع منقسمہ تجویز نہ کرنے کا فیصلہ کیا ہے۔ کمپنی کا اعتماد ہے کہ ان سرمایہ کار یوں سے آنے والے برسوں میں آپریشنل کارکردگی میں مضبوطی ہوگی اور منافع بہتر ہوگا۔ کیونکہ ہم طویل مدتی قدر کی تخلیق کو ترجیح دیتے ہیں۔ ان مشکلات کی ایک وجہ حالیہ عرصے میں کمپنی کی جانب سے سرمایہ جاتی اخراجات پر کی جانے والی بھاری سرمایہ کاری ہے جس کے باعث حصص یافتگان میں تقسیم کے لیے دستیاب نقد رقم محدود ہو گئی ہے۔ اس کی ایک بڑی وجہ کمپنی کی طرف سے حال ہی میں کی گئی بڑی سرمایہ کاریاں ہیں جس کی وجہ سے حصص یافتگان میں تقسیم کیلئے دستیاب نقد رقم محدود ہو گئی بورڈ کا اعتماد ہے کہ ان سرمایہ کار یوں سے آنے والے برسوں میں آپریشنل کارکردگی مضبوط ہوگی اور منافع بہتر ہوگا۔ ہم اپنے اسٹیک ہولڈرز کا ان کے صبر و تحمل اور تعاون کیلئے دل سے شکریہ ادا کرتے ہیں کیونکہ ہم طویل مدتی قدر کی تخلیق کو ترجیح دیتے ہیں۔

فی حصص آمدنی

ٹیکس کی ادائیگی کے بعد بنیادی اور معمولی فی حصص آمدنی 8.88 روپے رہی۔ (16.87:2025 روپے)

چیئر مین کا جائزہ

چیئر مین کا جائزہ اس سال اندر رپورٹ کا حصہ ہے اس لئے کمپنی کے ڈائریکٹر جائزہ رپورٹ کے مندرجات کی توثیق کرتے ہیں۔

آڈیٹرز

موجودہ آڈیٹرز میسرز مشتاق اینڈ کوچار ڈاٹ اکاؤنٹنٹس نے مدت پوری ہونے پر خود کو اہلیت کی بنا پر دوبارہ تقرری کیلئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز آڈٹ کمپنی کی سفارشات پر میسرز مشتاق اینڈ کوچار ڈاٹ اکاؤنٹنٹس کو 30 جون 2027 کو مکمل ہونے والے سال کیلئے ان کی دوبارہ تقرری کی تجویز دیتے ہیں۔

اظہار تشکر

ڈائریکٹرز تمام اسٹیک ہولڈرز سے تعاون، حوصلہ افزائی اور حمایت پر ان سے اظہار تشکر کرتے ہیں۔ ڈائریکٹر کمپنی کے عملے اور ورکرز کے عزم، لگن اور انتھک محنت کا اعتراف کرتے ہوئے سراہتے ہیں جن کا کمپنی کی کامیابی میں اہم کردار ہے۔ سب سے اہم، ہم اپنے حصص یافتگان کا بھی شکریہ ادا کرتے ہیں جنہوں نے کمپنی پر ہمیشہ اعتماد اور بھروسہ کیا۔

چیر پرسن جائزہ رپورٹ

مجھے سال کے دوران بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کی بڑی کامیابیوں اور کاروباری سرگرمیوں سے متعلق کمپنی کے حصص یافتگان کو جائزہ رپورٹ پیش کرنے میں انتہائی مسرت ہو رہی ہے۔

بورڈ نے کمپنی کی پائیدار ترقی، کمپنی کی مصنوعات کے اعلیٰ معیار کو برقرار رکھتے ہوئے نئی مارکیٹس کی دریافت، نئے صارفین کو راغب کرنے کے ساتھ ساتھ موجودہ صارفین کے اعتماد میں اضافہ کیلئے پیشہ وارانہ انداز میں کام کیا۔ چیف ایگزیکٹو کی طرف سے کاروباری منصوبوں، آپریٹنگ کارکردگی، یکیش فلو، متعلقہ مالی معلومات اور رسک مینجمنٹ جیسے شعبوں پر باقاعدگی سے بورڈ کو رپورٹس اور تازہ ترین صورتحال فراہم کی جاتی ہیں۔

کاروباری جائزہ اور مستقبل کی پیش رفت

مالی سال 2026 عالمی اور علاقائی سطح پر مشکل حالات کا سال رہا۔ ٹیرف اقدامات، تجارتی تناؤ اور علاقائی تنازعات جس کے باعث سپلائی چین میں خلل پڑا، کے ساتھ عالمی معیشت میں غیر یکساں ترقی ہوئی۔ امریکہ اور ایران کے درمیان کشیدگی میں اضافہ اور آبنائے ہرمز کے ذریعے جہازوں کی آمد و رفت میں خلل سے توانائی کی قیمتوں، فریٹ چارجز اور انشورنس کی لاگتوں میں اتار چڑھاؤ رہا۔ پاکستان کا میکرو اکنامک ماحول بڑی حد تک مستحکم رہا لیکن سخت مالی اور زری اقدامات سے مجموعی معاشی رفتار محدود رہی۔ کاروباری اداروں کو لاگت کے مسلسل دباؤ کا سامنا رہا جس میں توانائی کے بلند قیمت، فریٹ اخراجات، کم از کم اجرت میں اضافہ اور ٹیکسوں کے بڑھتے ہوئے بوجھ سمیت دیگر عوامل شامل ہیں۔

ملبوسات اور ٹیکسٹائل عالمی مارکیٹ دباؤ کا شکار رہی۔ عالمی سست روی، ملبوسات مصنوعات کیلئے معمولی طلب اور علاقائی برآمدگان کے درمیان سخت مسابقت آرڈر کے کم حجم اور قیمت فروخت پر دباؤ کا باعث بنی۔ نیچرٹا کمپنی کی خالص فروخت گزشتہ سال کی 12.35 بلین روپے سے کم ہو کر 11.14 بلین روپے رہی۔ بورڈ آف ڈائریکٹرز اور انتظامیہ صارفین کو برقرار رکھنے اور کمپنی کی مارکیٹ پوزیشن کے تحفظ کیلئے اپنی کوششیں جاری رکھے ہوئے ہے۔

منافع میں کمی متعدد عوامل بشمول عالمی منڈیوں میں قیمتوں کی سخت مسابقت اور کاروباری اخراجات میں مجموعی اضافہ کا عکاس ہے۔ سال کے لئے منافع پر گزشتہ برسوں سے متعلق سپرنٹنڈنٹ کی اضافی پروویژن کا بھی اثر پڑا جسے کمپنی نے سال کے دوران اس معاملے پر عدالت کے فیصلے کے بعد اپنے کھاتوں میں شامل کیا آگے بڑھتے ہوئے نئی ٹیرف پالیسیوں کے تحت عالمی تجارت میں تبدیلی سے برآمدی تنوع کیلئے نئے مواقع کھل سکتے ہیں۔ کمپنی بہتر منافع، لاگت اور توانائی کی بچت کے حامل برآمدی کاروبار کے حصول پر توجہ مرکوز رکھے گی اور اپنی مصنوعات کی ریٹخ اور کسٹمر بیس کو مضبوط بنائے گی۔

آؤٹ لک اور مستقبل کی سمت

بورڈ آف ڈائریکٹرز انتھک کوششوں اور اسٹریٹجک سمت کے ذریعے آنے والے سالوں میں کمپنی کو ترقی کی مزید بلند یوں تک لے جانے اور منافع میں اضافہ کیلئے مکمل طور پر پرعزم ہیں۔ ڈائریکٹرز نے پراسس میں مسلسل بہتری پر بھی توجہ مرکوز کی، اس کے ساتھ بورڈ نے پائیداری بشمول کام کی جگہ کی تعمیل، ملازمین کی فلاح بہبود، خواتین کی خود مختاری اور کمیونٹی کی مشغولیت کیلئے اقدامات پر بھی زور دیا ہے۔ کمپنی اپنے آپریٹنگز کو وسعت دے رہی ہے۔ کمپنی نے پیداواری صلاحیتوں میں اضافہ کیلئے پہلے خریدے گئے فیکٹری پلاٹ پر تعمیر کا آغاز کر دیا ہے۔ میں بورڈ آف ڈائریکٹرز اور انتظامی ٹیم کیلئے ان کی کوششوں میں کامیابی کیلئے نیک خواہشات کا اظہار کرتی ہوں۔

منافع منقسمہ

فیکٹری کی زمین اور عمارت میں سال رواں کے دوران کی گئیں اسٹریٹجک سرمایہ کاریوں اور کم منافع کے اثرات کی وجہ سے بورڈ نے سال کیلئے منافع منقسمہ کا اعلان نہ کرنے کا فیصلہ کیا ہے۔ ان سرمایہ کاریوں سے مستقبل میں کمپنی کی بنیاد مضبوط ہوگی اور بہتر منافع حاصل ہوگا۔ بورڈ دل کی گہرائیوں سے اپنے معزز اراکین کا اس سلسلے میں سمجھ بوجھ اور صبر کے لیے شکریہ ادا کرتا ہے اور کمپنی میں ان کی مسلسل حمایت اور اعتماد کو نہایت قدر کی نگاہ سے دیکھتا ہے۔ آخر میں، میں بورڈ آف ڈائریکٹرز کی مخلصانہ کوششوں اور دانشمندانہ رہنمائی پر دلی اظہار تشکر کرتی ہوں جس کے ذریعے کمپنی کو ان مشکل حالات میں موثر انداز میں آگے بڑھانے میں مدد ملی۔ میں اپنی جانب سے اور کمپنی کے تمام اراکین کی جانب سے بورڈ کے اراکین کے لیے مسلسل کامیابی کے لیے نیک خواہشات کا اظہار کرتی ہوں۔

کراچی: 28 ستمبر 2026

محہ جبین عبید

چیر پرسن

Form of Proxy**53rd Annual General Meeting**

I/We _____
of _____
Being member(s) of Towellers Limited holding _____
Ordinary shares hereby appoint _____
Of _____ or failing him / her _____
Of _____ who is / are also member(s) of Towellers Limited as my/our proxy in
my / our absence to attend and vote for me / us and on my / our behalf at the fifty three Annual General Meeting
of the Company to be held on October 28th 2026, and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2026
Signed Proxy holder _____

In the presence of (signature/name and address of witnesses) 1. _____
2. _____



Signature of Member

Folio / CDC A/C No.
No of Shares heldPlease affix Revenue
Stamp**NOTES:**

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instruments appointing a proxy, together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office, W.S.A. 30, 31 Block No. 1, F.B Area Karachi. not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular # 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for appointing Proxies:
 - i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned of the form.
 - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - v) In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

ٹاولرز لمیٹڈ

پراکسی فارم

53 واں سالانہ اجلاس عام

میں/ہم _____ کا (کامل پتہ) _____ بحیثیت ٹاولرز لمیٹڈ کے
ممبر / ممبران _____ حصص کے مالک، بذریعہ ہذا کا (کامل پتہ) _____ یا ان کی موجودگی کی صورت میں
_____ کا (کامل پتہ) _____ جو کمپنی کا/کے

ممبر / ممبرز بھی ہے / ہیں 28 اکتوبر 2026 کو منعقد ہونے والے اور / یا ملتوی ہونے والے 53 واں کمپنی کے سالانہ اجلاس عام میں میری / ہماری جانب سے ووٹ دینے کے لیے میری / ہماری پراکسی مقرر کرتا ہوں / کرتی ہوں کرتے ہیں۔

بورگواہ میں / ہم بروز _____ تاریخ _____ 2026 کو میرے / ہمارے ہاتھ سے مہر لگائی۔

مذکورہ کی جانب سے دستخط شدہ

مندرجہ ذیل گواہان کی موجودگی میں۔

گواہان

1۔	دستخط _____	2۔	دستخط _____
	نام _____		نام _____
	پتہ _____		پتہ _____
	کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____		کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____

فولیو ای سی ڈی نمبر

نمبر آف شیئر

محصولی کٹ لگائیں

ممبر کے دستخط

نوٹ:

1۔ یہ پراکسی فارم ہر طرح سے مکمل اور دستخط شدہ لازماً کمپنی کے رجسٹرڈ آفس، W.S.A, 30,31، فیلڈ "بی" ایریا بلاک 1، کراچی۔ پر سالانہ اجلاس عام کے انعقاد کے وقت سے 48 گھنٹے قبل موصول ہو جائیں۔

2۔ کسی فرد کو بطور پراکسی شرکت کی اجازت نہیں دی جائے گی تا وقتیکہ وہ کمپنی کا / کی ممبر نہ ہو، ماسوائے یہ کہ کارپوریشن کسی ایسے فرد کا تقرر کر سکتی ہے جو ممبر نہ ہو۔

3۔ اگر کسی ممبر نے ایک سے زائد پراکسی کا تقرر کیا اور کمپنی کے کسی ممبر کی جانب سے پراکسی کی ایک سے زائد دستاویز جمع کرا دی گئیں تو پراکسی کی ایسی تمام دستاویزات غیر موثر کی جائیں گی۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ ادارے

مذکور بالا کے علاوہ مندرجہ ذیل شرائط بھی پوری کرنا ہوں گی:

1۔ پراکسی فارم دو افراد کی جانب سے گواہی کے ساتھ ہونا چاہیے جن کے نام پتے اور سی این آئی سی نمبر فارم پر درج ہوں۔

ب۔ بنی فیشل اوٹز کے سی این آئی سی یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوں گی۔

ج۔ پراکسی کا اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ فراہم کرنا ہوگا۔

د۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع نمونہ دستخط (اگر پہلے فراہم نہیں کئے گئے) پراکسی فارم کے ساتھ جمع کرانے ہوں گے۔