Towellers Limited

Unaudited Accounts for the Quarter Ended September 30th, 2026

www.towellers.com

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TOWELLERS LTD

COMPANY INFORMATION

BOARD OF DIRECTORS

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

BOARD AUDIT COMMITTEE

Mr.	Muhammad Sarfraz	Chairman
Mrs.	Hadeel Obaid	Member
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

COMPANY SECRETARY

Mr. M. Farhan Adil

STATUTORY AUDITORS

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

BANKERS

Soneri Bank Limited
Allied Bank Limited
Bank Al Habib Limited
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	**National Tax**	**& Sales Tax No.**
C.R. # 0004042	NTN 0676889-0,	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 LTD

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors are pleased to present their report together with the un-audited financial statements of the Company for the first quarter ended September 30, 2026.

The sales during the first quarter has increased by 48% as compared to the same period last year. However, the margins remained under pressure due to higher distribution costs during the period. These were mainly attributable to increased sea freight rates and elongated sea routes causing extended transit times, which necessitated the use of air freight to ensure timely deliveries. Increase in transit insurance cost due to enhanced geopolitical risks owing to ongoing conflicts also has contributed to such increased costs.

Sales during the first quarter were Rs. 4.1 B as compared to Rs. 2.77 B during the corresponding period of last year. Profit after tax remained at Rs. 104.67 M as compared to 90.5 M during the same period last year.

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

FINANCIAL HIGHLIGHTS

FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Rupees in Thousands	
	2026	2025
Sales	4,096,723	2,768,536
Gross Profit	496,903	406,308
Profit from operations	139,170	180,534
Taxation	28,179	90,036
Profit after taxation	104,666	90,498

The Company is trying to overcome such challenges by increasing efficiency in manufacturing cycles to reduce the production lead time and ensure timely deliveries, in order to minimize these additional costs of doing business. The Management is also trying hard to secure more orders during the upcoming quarters to increase the sales and achieve turnover and profitability targets.

Acknowledgment

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

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

Karachi
Date: October 29, 2026

TOWELLERS LTD

Condensed Financial Position (Un-audited)
As at September 30, 2026

	Note	Un-Audited 30-Sep-26	Audited 30-Jun-26
		Rupees	
NON CURRENT ASSETS			
Property, plant and equipment	5	6,084,153,427	6,014,812,014
Right Of Use Asset		4,122,147	4,227,843
Long Term Loans And Advances		12,293,632	18,017,116
Long Term Deposits		29,521,915	24,142,165
		6,130,091,121	**6,061,199,138**
CURRENT ASSETS			
Stores, spare parts and loose tools		63,243,568	68,884,824
Stock in trade	6	2,980,142,046	3,368,362,156
Trade debts	7	1,859,208,511	1,776,419,115
Loans and advances		160,481,949	136,429,558
Trade deposits and short term prepayments		65,317,453	25,333,732
Other receivables		195,153,333	181,578,535
Income tax and sales tax refundable		799,596,394	963,621,746
Short term investment		48,771,586	28,605,112
Cash and bank balances	8	677,328,613	457,547,408
		6,849,243,452	**7,006,782,186**
TOTAL ASSETS		**12,979,334,573**	**13,067,981,324**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
25,000,000 (June 30, 2026: 25,000,000) ordinary shares of Rs. 10 each		**250,000,000**	**250,000,000**
Issued, subscribed and paid up capital			
17,000,000 (June 30, 2026: 17,000,000) ordinary shares of Rs. 10 each		170,000,000	170,000,000
Reserves		6,313,531,643	6,186,111,873
Surplus on revaluation of property, plant & equipment		2,634,169,432	2,656,923,023
		9,117,701,075	**9,013,034,896**
NON CURRENT LIABILITIES			
Staff Retirement Benefits		175,151,296	206,869,664
Deferred Tax		139,641,458	145,066,293
Lease Liability		1,964,412	2,559,336
Long Term Loan		23,254,332	24,282,563
		340,011,498	**378,777,856**
CURRENT LIABILITIES			
Trade And Other Payables		2,189,169,308	2,484,728,384
Unclaimed Dividend		3,948,536	3,956,186
Accrued Markup		2,429,306	2,439,399
Current Portion Lease Liability		4,968,924	3,939,036
Current Portion Long Term Loan		4,112,924	4,112,924
Short Term Borrowings		1,316,993,002	1,176,992,643
		3,521,622,000	**3,676,168,572**
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		**12,979,334,573**	**13,067,981,324**

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

Adnan Moosaji
Chief Financial Officer

Karachi
Date: October 29, 2026

TOWELLERS LTD

Condensed Interim Statement of Profit and Loss Account
For the quarter ended September 30, 2026

	30-Sep-26	30-Sep-25
	Rupees	
Net Sales	4,096,723,262	2,768,536,234
Cost of sales	(3,599,820,385)	(2,362,228,430)
Gross profit / (loss)	**496,902,877**	**406,307,804**
Distribution cost	(226,184,287)	(101,277,719)
Administrative expenses	(134,026,071)	(128,247,302)
Other operating expenses	(9,999,070)	(13,560,061)
Other income	12,476,955	24,606,731
	(357,732,473)	**(218,478,351)**
Profit / (loss) from operations	**139,170,404**	**187,829,454**
Finance cost	(6,325,613)	(7,295,157)
Profit/ (loss) Before Levies And Income Tax	**132,844,791**	**180,534,296**
Levies	(7,645,464)	(40,011,071)
Profit/ (loss) Before Income Tax	**125,199,327**	**140,523,225**
Income Tax	(20,533,148)	(50,024,885)
Profit / (loss) for the period	**104,666,179**	**90,498,340**
Profit per share-basic and diluted	**6.16**	**5.32**

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

Adnan Moosaji
Chief Financial Officer

Karachi
Date: October 29, 2026

TOWELLERS LTD

Condensed Interim Statement of Comprehensive Income (Un-audited)
For the quarter ended September 30, 2026

	Quarter ended	
	30-Sep-26	30-Sep-25
	Rupees	
Profit / (loss) for the period	104,666,179	90,498,340
Other comprehensive income for the period	-	-
Total comprehensive Profit for the period	**104,666,179**	**90,498,340**

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Mehreen Obaid Agha
Chief Executive Director

Sana Bilal
Director

Adnan Moosaji
Chief Financial Officer

Date: 29 October 2026

Condensed Interim Statement of Changes in Equity (Un-audited)
For the quarter ended September 30, 2026

Particulars	Share capital	Reserves			Total
		Capital	Revenue	Capital Reserve	
		Share premium	Unappropriated profit	Revalution Surplus	
Balance as at July 1, 2025	170,000,000	63,000,000	5,882,433,021	2,762,524,029	8,877,957,050
Profit for the period	-	-	90,498,340	-	90,498,340
Other comprehensive income for the period			-	-	-
Transferred from surplus on revaluation of property, plant & equipment	-	-	25,281,768	- (25,281,768)	-
Balance as at September 30, 2025	**170,000,000**	**63,000,000**	**5,998,213,129**	**2,737,242,261**	**8,968,455,390**
Balance as at July 1, 2026	170,000,000	63,000,000	6,123,111,873	2,656,923,023	9,013,034,896
Profit for the period	-	-	104,666,179	-	104,666,179
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of property, plant & equipment	-	-	22,753,591	(22,753,591)	-
Balance as at September 30, 2026	**170,000,000**	**63,000,000**	**6,250,531,643**	**2,634,169,432**	**9,117,701,075**

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

Adnan Moosaji
Chief Financial Officer

Karachi
Date: October 29, 2026

TOWELLERS LTD

Condensed Interim Cash Flow Statement (Un-audited)
For the quarter ended September 30, 2026

	Quarter ended	
	30-Sep-26	30-Sep-25
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	132,844,791	180,534,296
Adjustments for:		
Depreciation	71,885,937	66,504,271
Depreciation-right of use asset	105,696	120,796
Finance cost	6,325,613	7,295,157
(Gain) / loss on disposal of property, plant and equipment	-	(1,182,789)
Workers' profit participation fund & Sindh workers' welfare fund	9,999,070	13,560,061
Provision for gratuity	19,879,094	18,581,419
	108,195,410	104,878,915
Profit before working capital changes	241,040,201	285,413,211
(Increase) / decrease in current assets		
Stock,stores,spare parts and loose tools	393,861,366	(541,851,034)
Trade debts	(82,789,396)	75,268,875
Loans and advances	(24,052,391)	(25,329,732)
Trade deposits and short term prepayments	(45,363,471)	(17,936,611)
Other receivables	(13,574,798)	18,726,174
	228,081,310	(491,122,327)
(Decrease) / increase in current liabilities		
Trade and other payables	(305,558,146)	282,978,688
Cash generated from operations	163,563,365	77,269,572
Finance cost paid	(6,335,706)	(7,295,777)
Taxes refund / (paid)	130,856,872	(40,447,528)
Long term loan paid	5,723,484	(1,573,703)
Staff retirement benefits - gratuity net	(51,597,462)	(30,221,804)
Net cash generated from operating activities	242,210,552	(2,269,240)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	1,200,000
Short term investments	(20,166,474)	(83,307,000)
Fixed capital expenditure	(141,227,351)	(80,800,254)
Net cash used in investing activities	(161,393,825)	(162,907,254)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings - net	138,972,128	(6,028,230)
Dividend paid	(7,650)	-
Book overdraft	-	(8,862,221)
Net cash used in financing activities	138,964,478	(14,890,451)
Net increase / (decrease) in cash and cash equivalents	219,781,205	(180,066,945)
Cash and cash equivalents at the beginning of the year	457,547,408	824,933,145
Cash and cash equivalents at the end of the period	**677,328,613**	**644,866,200**

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

Adnan Moosaji
Chief Financial Officer

Karachi
Date: October 29, 2026

TOWELLERS LTD

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
For the quarter ended September 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan as a Private Limited Company on May 31, 1973 and subsequently converted into Public Limited Company on June 22, 1994 under the Companies Act, 1913 (Now Companies Ordinance, 1984) and is quoted on stock exchanges at Karachi and Lahore. The principal business of the company is to manufacture and export of textile made ups, garments and towels. The registered office of the company is situated at WSA - 30 & 31, Block - 1, Federal "B" Area, Karachi in the province of Sindh, Pakistan.

2 BASIS OF PREPARATION

Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Finance Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2026.

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

These condensed financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the quarter ended September 30, 2026.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2026.

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

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2026.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2026

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) 30-Sep-26	(Audited) 30-Jun-26
		Rupees	
Operating assets	5.1	5,680,143,715	5,633,706,370
Capital work in progress-at cost	5.2	404,009,712	381,105,644
		6,084,153,427	**6,014,812,014**

5.1 Following is the cost of operating fixed assets that have been added / disposed off during the period ended September 30, 2026:

	Additions / Transfers (at cost)		Disposals at net book value	
	30-Sep-26 (Unaudited)	30-Jun-26 (Audited)	30-Sep-26 (Unaudited)	30-Jun-26 (Audited)
	Rupees			
Building on leasehold land	-	96,891,721	-	-
Plant and machinery	52,656,381	207,491,903	-	1,097
Furniture and fixture	479,341	572,500	-	-
Office equipment	10,348,423	37,497,336	-	-
Solar	37,202,688	8,334,720	-	-
Vehicles	17,636,450	47,572,987	-	4,840,497
	118,323,283	**398,361,168**	**-**	**4,841,594**

5.2 CAPITAL WORK IN PROGRESS

Building - civil works	403,989,712	381,085,644
Solar plant	20,000	20,000
	404,009,712	**381,105,644**

The movement in Capital work in progress is as follows:

Balance at the beginning of the year	381,105,644	473,309,398
Additions during the year:		
Building - civil works	22,904,068	134,619,263
Plant and machinery	-	10,525,920
	22,904,068	**145,145,183**
Transfer to operating fixed assets		
Building - civil works	-	96,891,721
Equipment	-	2,825,000
Plant and machinery	-	137,298,666
Solar plant	-	333,550
	-	**237,348,937**
Balance at the end of the year	**404,009,712**	**381,105,644**

Depreciation Amounting Rs.71,885,937 on Operating Fixed Assetss charged during the period.

6 STOCK IN TRADE

Raw material	847,571,026	1,116,973,408
Work in process	828,370,177	1,093,674,547
Finished goods	1,304,200,843	1,157,714,201
	2,980,142,046	**3,368,362,156**

7 TRADE DEBTS

Secured - considered good		
Foreign debts	583,540,159	783,026,170
Unsecured - considered good		
Foreign debts	1,274,326,590	986,759,049
Domestic debts	1,341,762	6,633,896
	1,275,668,352	993,392,945
Unsecured - considered Doubtful	25,095,432	24,899,278
Allowance for ECL	(25,095,432)	(24,899,278)
	1,859,208,511	**1,776,419,115**

8 CASH AND BANK BALANCE

Cash in hand	1,304,805	1,358,227
Cash at banks:		
In current accounts	133,065,310	109,204,414
In saving accounts	542,958,498	346,984,767
	676,023,808	456,189,181
	677,328,613	**457,547,408**

8.1 It carries mark up at the rate of 4.50% to 8.50% (2026: 4.5% to 11.00%) per annum.

9 CONTINGENCIES AND COMMITMENTS

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

9.1 Guarantees

Bank guarantees issued in the ordinary course of business	22,000,000	22,000,000

9.2 Commitments

Plant and Machinery	-	45,439,212
Raw material	26,161,800	12,126,491

10 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises associated companies, directors and key management personnel. Amounts due to related parties are shown in the relevant notes to the financial statements. Transactions with related parties are disclosed below:

Nature of transaction	Relationship	30-Sep-26	30-Jun-26
Salaries and other benefits	Key management personnel	19,350,587	68,278,761

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

Statement of Financial Position		
Liabilities:		
Long term financing-islamic mode	27,367,256	28,395,487
Short term financing-islamic mode	1,316,993,002	1,176,992,643
Accrued Markup-Islamic Fianancing	2,429,306	2,439,399
Assets:		
Sharia-Compliant bank balances	642,995,487	456,189,181
Sharia-Compliant mutual fund investment	48,771,586	28,605,112
Statement of Profit or Loss		
Revenue earned from a Shariah-compliant business segment;	4,152,782,480	11,466,382,601
Profit earned from Sharia-Compliant bank balances	9,312,789	47,423,180
Profit earned from Sharia-Compliant mutual fund investment	3,164,166	33,317,248
Exchange gain earned from actual currency	49,188,086	124,058,297
Markup paid on islamic mode of financing	6,335,706	20,949,870
Breakup of income		
Sharia-Compliant income		
Profit on saving accounts	9,312,789	47,423,180
Profit on mutual fund investment	3,164,166	33,317,248

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.
Alfalah Asset Management Limited	Short term investments.
Faysal Funds	Short term investments.
HBL Asset Management Limited	Short term investment.
Meezan Bank Limited	Bank balances.
Dubai Islamic Bank	Bank balances.
Faysal Bank Limited	Bank balances.
Habib Metropolitan Bank Limited	Bank balances.
Century Insurance Limited	Takaful operations.
EFU General Insurance Limited	Takaful operations.

12 **DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on **29 October 2026** by the board of directors of the company.

13 **GENERAL**

Figures have been rounded off to the nearest rupees.

Mehreen Obaid Agha
Chief Executive Officer

Sana Bilal
Director

Adnan Moosaji
Chief Financial Officer

Karachi
Date: October 29, 2026

BOOK POST

UNDER POSTAL CERTIFICATE

If undelivered, please return to:

TOWELLERS LIMITED

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