

TOWELLERS LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2025



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

COMPANY SECRETARY

Mr. M. Farhan Adil

STATUTORY AUDITORS

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

BANKERS

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

REGISTRAR & SHARE REGISTRATION OFFICE

T.H.K., Associates Pvt. Ltd
Plot No. 32-C, Jami Commercial Street – 2
D.H.A., Phase-VII, Karachi, 75500, Pakistan

REGISTERED OFFICE

WSA-30 & 31, Block-1, Federal "B" Area, Karachi-75950

Web Site: www.towellers.com

Company Registration
C.R. # 0004042

National Tax
NTN 0676889-0,

& Sales Tax No.
Sales Tax # 02-03-5111-007-55

FACTORIES

Plots No. 14 & 17/1 Sector 12-D, N.K.I.A. Plot No. 9 & 10, Sector 12-C, 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 Fifty Second 52nd Annual General Meeting of the Shareholders of Towellers limited will be held on Tuesday October 28th 2025 at 3:30 p.m at the Registered Office of the Company at W.S.A. 30-31, Block #1, Federal B Area Karachi and through video Link facility to transact the following business:

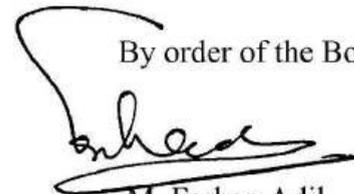
ORDINARY BUSINESS:

1. To confirm the minutes of the 51st Annual General Meeting held on October 25th 2024.
2. To receive and adopt the Audited Statements of Accounts for the year ended June 30th 2025 together with Chairman Review, Director's and Auditor's reports thereon.
3. To appoint Auditors for the ensuing year and fix their remuneration.

OTHERS BUSINESS:

4. Any other business with the permission of the Chair.

By order of the Board



M. Farhan Adil
Company Secretary

Karachi: September 29th 2025.

TOWELLERS LIMITED

NOTES:

- 1.** The Share Transfer Books of the Company will remain closed from October 21st 2025 to October 28th 2025 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar M/s THK Associates (Pvt) Limited, 32-C, Jami Commercial Street 2, D.H.A Phase V11, Karachi, 75950 by close of business on Monday 20th, October 2025 will be treated as being in time to attend and vote at the meeting.
- 2.** A member entitled to attend and vote at this AGM may appoint another member as his/her proxy to attend the meeting and vote instead of him/her, Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting or emailed at farhan@towellers.com. Form of proxy is annexed to this notice and attached in the Annual Report, which is also available on the Company's website.
- 3.** CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular # 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
- 4.** In order to maximize the member's participation, the company is convening this AGM via video link in addition to holding physical meeting with shareholders. Accordingly those members and participants who desire online participation in the AGM are requested to register themselves by sending an email along with following particulars and valid copy of their CNIC at farhan@towellers.com with subject of "Registration for TOWL AGM 2025 not less than 48 hours before the time of the meeting. Name of Shareholder, CNIC No, Folio No/CDC Account No, Mobile No, Email Address. Video Link to join the AGM will be shared with only those members whose emails, containing all the required and correct particulars, are received at farhan@towellers.com.
- 5.** Under the second 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.
- 6.** Shareholders, who by any reason, could not claim their dividend/shares if any are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend/shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of Unclaimed dividend and in case of shares, shall be delivered to the SECP.
- 7.** The SECP through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form, shareholders, who hold physical shares, are advised to convert their shares into electronic form in terms of section 72 of the Companies Act, 2017.

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8. The Company has circulated Audited Financial Statements to its members through QR-enabled code with weblink at their registered email addresses,. Printed copy of the same can be provided to the members upon request. The Audited Financial Statements of the Company for the year ended June 30, 2025, have also been available on the Company's website .

9. Pursuant to the provisions of Income Tax Ordinance, 2001, different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies, as under:

For filers of income tax returns	15%
For non-filers of income tax returns	30%

10. To comply with various statutory requirements, and to avoid any non- compliance of law in future, all shareholders are hereby advised to coordinate/update their records with their respective Participants/CDC Investor Account Services /Share Registrar are as under:

Submission of copies of their valid/updated CNIC/NTN/Zakat Declaration/Exemption Form/Tax Exemption Certificate, valid bank Account detail/IBAN for future cash Dividend, In terms of section 119 of the Companies Act 2017 and Regulation 47 of the Companies Regulations, 2024, including Mobile Number/ Land line Number and email Address, Promptly notify any change in mailing address, by writing to the office of Towellers Share Registrar.

11. No gifts /coupons shall be distributed during the Annual General Meeting, through its Circular 2 of 2018 dated February 9, 2018/ or vide its S.R.O. 452(1)/2025 dated March 17, 2025.

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.

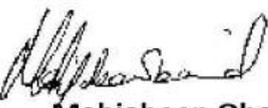
The year 2025 reflected gradual signs of recovery in Pakistan's macroeconomic environment, supported by relative fiscal stability and improved monetary management. However, this stability was accompanied by stringent monetary and fiscal measures, which continued to slow overall economic momentum. Businesses faced persistent challenges, including high energy costs, elevated labor expenses, and increased taxation, while international competition remained intense. Despite these pressures, the Company recorded a modest increase in sales, which reflects the concerted efforts of the Board of Directors and management team to sustain growth under difficult circumstances. Profit margins, however, came under pressure due to the need to maintain competitive pricing in global markets and the overall rise in the cost of doing business. Looking ahead, Pakistan holds promising opportunities through initiatives such as CPEC Phase II, the Reko Diq project, and potential export diversification created by shifting global trade flows under the new U.S. tariff policies. With these opportunities on the horizon, the Company remains confident of improving performance and delivering sustainable growth in the coming years.

The Board of Directors remains fully committed to driving the Company's growth and profitability in the coming years through dedicated efforts and strategic direction. Alongside continuous process improvements, the Board has placed strong emphasis on sustainability, including initiatives for workplace compliance, employee welfare, women empowerment, and community engagement. The Company is also expanding its operations and has commenced development on the additional factory plots acquired earlier to further enhance its production capacities. I extend my best wishes to our dedicated Board of Directors and management team for continued success in their endeavors.

Due to the strategic investments made in factory land and buildings during the year, along with the impact of lower profitability, 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. We sincerely thank our valued members for their understanding and patience in this regard and greatly appreciate their continued support and confidence in the Company.

In conclusion, I wish to express my sincere appreciation to the Board of Directors for their dedicated efforts in guiding the Company through these challenging times, and I extend my best wishes to them on my own behalf and on behalf of all the members of the Company.

Karachi: September 29th 2025


Mahjabeen Obaid
Chairperson

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, 2025. 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

Last three years i.e. from 2022 till 2024, remained quite turbulent as far as the Pakistan economy is concerned. The year under review (2024-25) however has shown visible signs of stabilization. Inflation, which had remained persistently high in the earlier years, eased considerably and even fell to low single digits during the second half of the fiscal year. This provided the State Bank of Pakistan the room to reduce the policy rate from its peak of 22% to the current level of 11%. The external account also reflected improvement, with Pakistan posting its first current account annual surplus of US\$ 2.1 billion approximately in more than a decade, supported by stable remittances, import rationalization, and a relatively stable exchange rate.

On the fiscal side, the Government recorded a primary surplus of around 2.68% of GDP during the year 2025 reflecting its commitment to fiscal discipline under the IMF program rather than an unsustainable robust growth. However, this stability came at a cost: tough measures such as higher taxation on the textile sector, super tax continuation, and elevated energy tariffs placed significant pressure on industrial competitiveness. Consequently, Pakistan's textile exports grew only marginally, and export revenues did not meaningfully move up despite gradual improvements in global demand. Such growth is a notable improvement compared to near-stagnation earlier, but still below the country's long-term potential.

An emerging risk in 2025 is the U.S. "reciprocal" tariff regime, under which a 19% duty has been imposed on Pakistan's exports, notably in textiles, apparel, and surgical goods. This is expected to exert pressure on export competitiveness, the current account, and overall growth momentum. At the same time, the 50% tariff on Indian exports presents a relative competitive opening for Pakistan to capture some of the orders diverted from India, partly offsetting the adverse effects.

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Looking ahead, the outlook remains cautiously optimistic: if the IMF program remains on track, and with renewed focus on projects such as Reko Dik and the launch of CPEC Phase 2, fresh investment inflows and infrastructure development are expected to support long-term growth. In addition, shifting global sourcing dynamics — particularly disruptions in textile supply from politically unstable regions such as Bangladesh (political unrest) and Sri Lanka (economic and political crisis) — present a window of opportunity for Pakistan to secure additional export orders. With these developments, the country is well-positioned to benefit through greater export diversification, improved efficiency, and stronger cost competitiveness, laying the foundation for sustainable growth in the years ahead.

COMPANY'S PERFORMANCE

During FY2025, the Company's net sales remained broadly in line with last year's figures, reflecting stability in topline despite challenging market dynamics. Annual turnover was Rs. 12.35 B as compared to Rs. 12.32 B in the year 2024. However, the overall profitability was impacted due to extremely competitive international market and higher operating costs.

The Company posted a net profit after tax of Rs. 286.71 million, translating into an earnings per share of Rs. 16.87. The profitability remained under pressure during the year as margins were squeezed by a combination of factors, including rising labor costs, persistently high energy tariffs, withdrawal of government incentives and subsidies, and an overall increase in taxation burden. In addition, the industry continued to face stiff international competition, while domestic inflationary pressures further added to the cost of doing business. Despite these challenges, the Company sustained positive earnings, reflecting its resilience and ability to navigate through an increasingly difficult operating environment. Company's directors, management team, staff and workers are trying hard to secure more export business with better margins to improve the results of the Company.

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

	Rupees in Thousands	
	30-JUN-2025	30-JUN-2024
Sales (Net)	12,347,002	12,314,921
Gross Profit	1,158,059	1,232,108
Distribution Cost	499,565	345,925

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Administrative Expenses	484,801	406,081
Other Operating Expenses	39,623	109,105
Other Income	131,460	457,680
Finance Cost	29,641	31,101
Profit Before Taxation	235,889	805,163
Profit After Taxation	286,856	559,502
Earning Per Share	16.87	32.91

SUSTAINABILITY, INCLUSION AND EMPOWERMENT INITIATIVES

During the year, the Company remained committed to advancing sustainability, gender empowerment, and community engagement. Towellers Limited actively participated in the Women's Leadership Training Workshop organized by LUMS in collaboration with GIZ, aimed at enhancing leadership capacity, strategic thinking, and confidence-building among women in the workplace. In addition, our QMS team engaged with the KDSP Learning Center under the *Education for Life – Year 3 Thesis Project*, reinforcing our support for inclusive education and empowerment of persons with disabilities. These initiatives reflect the Company's broader vision of fostering 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, 2025 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 during the year and the strategic allocation of cashflows towards capital expenditure to strengthen future growth and competitiveness, the Board has decided not to recommend any dividend for the year. The Company is confident that these investments will translate into stronger operational performance and improved returns in the coming years. We sincerely thank our valued shareholders for their patience and understanding as we prioritize long-term value creation.

EARNINGS PER SHARE

The basic and Diluted earnings per share After tax is Rs. 16.87 (2024-Rs. 32.91)

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, 2026.

ACKNOWLEDGEMENT

The Directors wish to extend their sincere gratitude to all stakeholders for their continued support and encouragement. We also acknowledge with appreciation the commitment, dedication, and hard work of our staff and workers, whose efforts remain the backbone of the Company's success. Most importantly, we thank our shareholders for their unwavering confidence and trust in the Company.

September 29, 2025


Director


Director

TOWELLERS LIMITED

COMMITTEES OF THE BOARD

The Board has formed sub committees namely Audit 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 belows.

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

Zeeshan K Sattar

3

Hadeel Obaid

4

Muhammad Sarfraz

2

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 per forming its duties in line with its terms of reference as determined by the Board.

Two meeting was held during the financial year ended June 30, 2025

HR AND REMUNERATION COMMITTEE

Niaz Muhammad	Chairman
Mehreen Obaid agha	Member
Valy Tariq Rangoonwala	Member

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 2025.

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, 2025**, 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, 2025 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,



<p>scheme, having net liability of Rs.219.29 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:</p> <ul style="list-style-type: none">– salary increase and inflation;– discount rate; and– Mortality. <p>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.</p> <p>The use of these actuaries increases the risk of error as data is passed to third parties for analysis and calculation purposes.</p>	<p>including salary increases, inflation, mortality rate and discount rate assumptions, were reasonable and consistent with based on industry data. We were satisfied that the rates used fell within acceptable ranges.</p> <p>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.</p> <p>We also read and assessed the disclosures made in the financial statements, including disclosures of the assumptions, and found them to be appropriate.</p>
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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.



MUSHTAQ & CO. 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.



Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) 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;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted and deposited by the Company in the Central Zakat Fund established under section 7 of that Ordinance.

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

nm

Mushtaq & Co.
MUSHTAQ & CO.
Chartered Accountants



Lahore.
Dated: September 29, 2025
UDIN: AR202510724uMJ1OBWNp

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 2025 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.

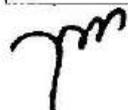
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent 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, 2025.

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	Newly introduced regulation by SECP during June, 2024. Being reviewed by the board for compliance in future.
Requirement to attain DTP Certification.	19	Except two directors, all directors have obtained director training certificate.
Nomination Committee	29(1)	Currently, the board has not constituted a separate NC. The function is being performed by the board.
Risk Management Committee.	30(1)	The board intends to constitute RMC. Currently the board is performing these duties.
Disclosure of significant policies on website	35	Company has uploaded limited information on its website. The Company is, however, considering to place key elements and synopsis of other policies on its website in compliance to CCC Regulation.



Lahore:
 Date: September 29, 2025
 UDIN: CR2025107247d4cV8ni6

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



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019.

NAME OF COMPANY TOWELLERS LIMITED

YEAR ENDED JUNE 30th 2025

The Company has complied with the requirements of the Regulations 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

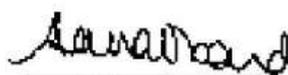
- 7 The meetings of the board were presided over by the Chairman and, in her absence, by a director elected by the Board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- 8 The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9 Five Directors have obtained directors' training and two directors are exempted from the requirement of Directors' Training program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019. Remaining one director training is in progress and will be completed in further.
- 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 |
- 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 (Quarterly/half yearly/yearly) of the committees were as per following:
- | | |
|-------------------------------|--|
| Audit Committee | Four quarterly meetings were held during the year. |
| HR and Remuneration Committee | Two meeting was held during the year. |
- 15 The Board has set up an effective internal audit control function which comprises on suitably qualified and experienced persons.
- 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

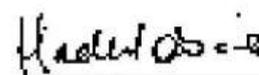
TOWELLERS LIMITED

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 in note no. 9 and 12.

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 will take 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 in process 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	Company has uploaded limited information on its website. The Company is, however, considering to place key elements and synopsis of other policies on its website in compliance to CCG Regulations.


Director


Director

Dated: September 29th 2025

TOWELLERS LIMITED

SIX YEARS AT GLANCE

FROM 2020 TO 2025

RUPEES IN THOUSANDS

PARTICULARS	2025	2024	2023	2022	2021	2020
Turn over-Net	12,347,002	12,314,921	11,086,916	10,238,086	5,220,747	3,772,254
Cost of sales	11,188,943	11,082,813	7,944,316	8,151,154	4,109,212	3,071,384
Gross profit / (loss)	1,158,059	1,232,108	3,142,600	2,086,932	1,111,536	700,870
Profit/(loss) from operation	265,530	836,265	2,633,967	1,208,243	619,652	321,304
Finance cost	29,641	31,102	53,848	23,250	5,444	6,388
Profit/(loss) before taxation	235,889	805,163	2,580,119	1,184,994	614,208	314,915
Profit / (loss) after taxation	286,709	559,502	2,388,338	1,063,048	556,456	275,894
Dividend	170,000	170,000	221,000	34,000	-	-

FINANCIAL DATA

Fixed assets-w.d.v	5,987,804	5,603,824	3,250,949	3,142,611	1,810,526	1,663,761
Right of use asset	4,832	5,436	-	-	-	-
Long term loans	28,154	22,164	19,250	20,487	19,501	16,861
Long term deposits	30,163	29,780	44,271	35,321	29,349	16,875
Current assets	6,334,254	6,273,528	6,667,455	4,632,048	2,437,648	1,852,202
Total	12,385,206	11,934,732	9,981,926	7,830,468	4,297,024	3,549,699

EQUITY & LIABILITIES

Equity	8,877,957	8,739,778	7,560,745	5,391,114	3,277,720	2,714,251
Non current liabilities	384,079	595,104	185,190	186,911	174,794	163,376
Current liabilities	3,125,386	2,599,850	2,235,991	2,252,443	844,511	672,072
Total	12,387,422	11,934,732	9,981,926	7,830,468	4,297,024	3,549,699

KEY RATIOS%

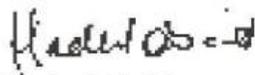
Gross margin%	9.38	10.00	28.35	20.38	21.29	18.58
Net profit (loss)%	2.32	4.54	21.54	10.38	10.66	7.31
Quick ratio%	1.01	1.42	1.80	1.08	0.89	1.32
EBIT margin%	1.67	6.29	22.79	11.35	11.66	8.52
Current ratio%	2.03	2.41	2.98	2.06	2.89	2.76
Earning/(loss) per share Rs	16.87	32.91	140.49	62.53	32.73	16.23
Dividend payout ratio	59.29	30.38	9.25	3.20	-	-
Debt equity ratio%	0.40	0.37	0.32	0.45	0.31	0.31

TOWELLERS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant And Equipment	4	5,987,803,782	5,601,361,866
Intangible Asset	5	2,216,100	2,462,334
Right Of Use Asset	6	4,831,820	5,435,798
Long Term Loans And Advances	7	28,153,616	22,164,318
Long Term Deposits	8	30,163,335	29,779,925
		6,053,168,653	5,661,204,241
CURRENT ASSETS			
Stores, Spare Parts And Loose Tools	9	58,601,444	57,969,566
Stock In Trade	10	2,072,517,088	1,479,224,852
Trade Debts	11	2,088,285,764	2,205,193,423
Loans And Advances	12	82,396,912	285,061,152
Trade Deposits And Short Term Prepayments	13	41,339,711	36,318,400
Other Receivables	14	218,858,181	218,820,248
Income Tax And Sales Tax Refundable	15	700,777,719	503,149,543
Short Term Investment	16	246,543,690	786,037,671
Cash And Bank Balances	17	824,933,145	701,752,715
		6,334,253,654	6,273,527,570
TOTAL ASSETS		12,387,422,307	11,934,731,811
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
25,000,000 (June 30, 2024: 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	5,945,433,021	5,689,919,726
Surplus On Revaluation Of Property, Plant & Equipment	20	2,762,524,029	2,879,858,480
		8,877,957,050	8,739,778,206
LIABILITIES			
NON CURRENT LIABILITIES			
Staff Retirement Benefits	21	219,288,055	190,275,002
Deferred Taxation	22	133,137,169	368,279,868
Lease Liability	6	3,258,372	4,040,627
Long Term Loan	23	28,395,486	32,508,409
		384,079,082	595,103,906
CURRENT LIABILITIES			
Trade And Other Payables	24	2,296,506,744	2,339,921,802
Unclaimed Dividend	25	3,964,601	3,519,240
Accrued Markup	26	161,392	135,733
Book overdraft	27	27,697,886	-
Current Portion of Lease Liability	6	2,942,254	2,160,000
Current Portion of Long Term Loan	23	4,112,924	4,112,924
Short Term Borrowings	28	790,000,374	250,000,000
		3,125,386,175	2,599,849,699
CONTINGENCIES AND COMMITMENTS	29		
TOTAL EQUITY AND LIABILITIES		12,387,422,307	11,934,731,811

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



Hadeel Obaid
Director



Sana Bilal
Director



Adnan Moosaji
Chief Financial Officer

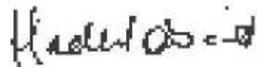
Karachi,
September 29, 2025

TOWELLERS LIMITED

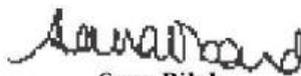
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Sales - Net	30	12,347,001,878	12,314,921,073
Cost of Sales	31	(11,188,943,001)	(11,082,813,247)
Gross Profit		1,158,058,877	1,232,107,827
Distribution Cost	32	(499,564,813)	(345,925,426)
Administrative Expenses	33	(484,800,989)	(406,081,168)
Other Operating Expenses	34	(39,622,685)	(109,105,205)
Other Income	35	131,459,874	457,680,456
		(892,528,613)	(403,431,343)
Profit From Operations		265,530,264	828,676,483
Finance Cost	36	(29,640,967)	(31,101,932)
Profit Before Levies And Taxation		235,889,297	797,574,551
Levies	37	(166,036,109)	(171,184,843)
Profit Before Taxation		69,853,188	626,389,709
Income Tax	37	216,855,845	(66,888,082)
Profit For The Year		286,709,033	559,501,627
Earnings Per Share - Basic And Diluted	38	16.87	32.91

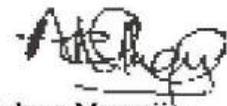
The annexed notes form an integral part of these financial statements.



Hadeel Obaid
Director



Sana Bilal
Director



Adnan Moosaji
Chief Financial Officer

Karachi,
September 29, 2025

TOWELLERS LIMITED

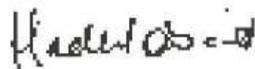
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

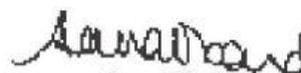
Particulars	Issued, subscribed and paid up capital	Reserves				Total
		Capital Reserve		Revenue Reserve	Sub Total	
		Share premium	Revaluation Surplus	Unappropriated profit		

-----Rupees-----

Balance as at July 01, 2023	170,000,000	63,000,000	2,135,091,527	5,192,653,945	7,390,745,472	7,560,745,472
Profit for the year	-	-		559,501,627	559,501,627	559,501,627
Other comprehensive income for the year	-	-	794,477,322	(4,946,215)	789,531,107	789,531,107
Annual dividend of PKR 10.00 per share for the year ended June 30, 2023				(170,000,000)	(170,000,000)	(170,000,000)
Transferred from surplus on revaluation of property, plant & equipment	-	-	(49,710,369)	49,710,369	-	-
Balance as at June 30, 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 income / (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

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


Hadeel Obaid
Director


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

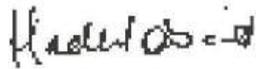
Karachi,
September 29, 2025

TOWELLERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

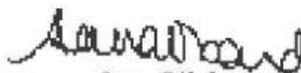
	Note	2025 Rupees	2024 Rupees
Profit For The Year		286,709,033	559,501,627
Other comprehensive income / (loss) for the year			
<i>Items that will not be reclassified subsequently to profit or loss account</i>			
(Loss) on remeasurement of staff retirement benefits	21.1	(20,541,293)	(8,108,549)
Less: Related deferred tax		8,011,104	3,162,334
		(12,530,189)	(4,946,215)
Surplus on revaluation of property, plant & equipment		-	1,212,567,321
Less: Related deferred tax		-	(418,089,999)
		-	794,477,322
Total comprehensive income for the year		274,178,844	1,349,032,734

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



Hadeel Obaid
Director

Karachi,
September 29, 2025



Sana Bilal
Director



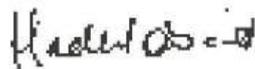
Adnan Moosaji
Chief Financial Officer

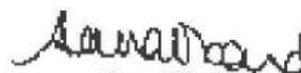
TOWELLERS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Levies And Taxation	235,889,297	805,162,927
Adjustments for:		
Depreciation	289,423,534	187,979,662
Depreciation-right of use asset	603,978	603,978
Amortization	246,233	273,593
Staff retirement benefits - gratuity	77,516,373	63,762,872
Finance cost	29,640,967	31,101,932
Workers' profit participation fund	14,408,067	43,734,148
(Gain) on disposal of property, plant and equipment	(2,930,159)	(3,928,173)
	408,908,993	323,528,011
Profit before working capital changes	644,798,290	1,128,690,938
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(631,878)	6,136,181
Stock in trade	(593,292,236)	145,718,188
Trade debts	116,907,659	41,199,350
Loans and advances	202,664,240	(169,669,413)
Trade deposits and short term prepayments	(5,021,311)	(6,082,826)
Other receivables	(37,933)	(68,206,737)
	(279,411,459)	(50,905,257)
(Decrease) / increase in current liabilities		
Trade and other payables	(13,928,126)	198,853,661
Cash generated from operations	351,458,705	1,276,639,342
Finance cost paid	(29,776,158)	(31,068,576)
Taxes paid	(373,940,036)	(142,348,967)
Workers' profit participation fund paid	(43,734,148)	(135,795,726)
Long term loan to employees	(5,989,295)	(2,913,899)
Long term deposits	(383,410)	14,491,191
Staff retirement benefits - gratuity paid	(69,044,613)	(57,677,453)
Net cash (used in) / generated from operating activities	(171,408,955)	921,325,914
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	3,645,000	5,095,000
Short term investment	539,493,980	566,222,402
Fixed capital expenditure	(676,580,291)	(1,329,727,942)
Net cash (used in) investing activities	(133,441,311)	(758,410,540)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term borrowings	(4,112,925)	26,374,256
Short term borrowings	540,000,374	250,000,000
Bank overdraft	27,697,886	-
Dividend paid	(135,554,639)	(167,940,105)
Net cash generated from financing activities	428,030,696	108,434,151
Net increase in cash and cash equivalents	123,180,430	271,349,525
Cash and cash equivalents at the beginning of the year	701,752,715	430,403,190
Cash and cash equivalents at the end of the year	824,933,145	701,752,715

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


Hadeel Obaid
Director


Sana Bilal
Director


Adnan Moosaji
Chief Financial Officer

Karachi,
September 29, 2025

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

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 and directives 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, 2025

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:

2.4.1.1 Disclosure detailing shariah and conventional elements

During the year, the Securities and Exchange Commission of Pakistan (SECP) has made amendments to the Fourth Schedule to the Companies Act, 2017 whereby certain disclosure requirements have been introduced, which have been presented in note 45 to these financial statements.

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.

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

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)
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
	Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows)	January 1, 2026

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, 2025

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

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 equipments as at June 30, 2025 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025****3.2 Revaluation**

Revaluation of leasehold land, building, plant & machinery are based on periodic, but atleast 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.

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

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

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 of 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, cash in hand and short term deposits. For the purposes of cash flow statement cash and cash equivalents consist of cash and cash equivalents as defined above, net of temporary overdrawn bank balances.

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.

TOWELLERS LIMITED

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

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.

TOWELLERS LIMITED

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

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 a business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. An operating segment's operating results are reviewed by the CEO 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 CEO 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 factor 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, 2025**

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2025 Rupees	2024 Rupees
Operating fixed assets	4.1	5,514,494,384	5,386,783,139
Capital work in progress - at cost	4.4	473,819,398	214,978,727
		<u>5,987,303,782</u>	<u>5,601,761,866</u>

4.1 Operating fixed assets

	June 30, 2025										Total	
	Leasehold land	Building on leasehold land	Plant & machinery	Electric installation	Care installation	Furniture & fixture	Office equipment	Bicycles	Vehicles	Waste water treatment plant	Salary plant	Total
At July 01, 2024	2,668,215,482	1,476,246,382	1,338,238,281	11,822,851	205,364	26,305,843	178,469,015	22,373	185,335,487	9,614,697	85,635,042	6,192,294,637
Cost	-	(325,515,516)	(251,062,028)	(444,444,444)	(127,033)	(444,444,444)	(91,870,003)	(20,913)	(80,773,200)	(9,277,519)	(13,150,723)	(808,011,088)
Accumulated depreciation												
Net book value	2,668,215,482	1,151,178,043	1,287,176,253	400,603	58,330	11,797,508	83,599,012	1,460	104,561,587	10,337,187	67,484,068	5,386,783,139
Year ended June 30, 2025												
Opening net book value	2,668,215,482	1,151,178,043	1,287,176,252	400,603	58,330	11,797,508	83,599,012	1,462	104,561,587	10,337,187	67,484,068	5,386,783,139
Additions during the year	-	-	65,997,265	-	-	735,025	11,813,616	-	20,251,868	-	2,051,727	107,883,012
Disposals / transfers	310,466,608	-	-	-	-	-	-	-	-	-	-	310,466,608
Residual	-	-	-	-	-	-	-	-	-	-	-	-
Deposits / transfers	-	-	-	-	-	-	-	-	-	-	-	-
-Cost	-	-	-	-	-	-	-	-	(2,693,000)	-	-	(2,693,000)
-Accumulated depreciation	-	-	-	-	-	-	-	-	1,924,139	-	-	1,924,139
Depreciation charge for the year	(115,317,824)	(132,316,233)	(32,316,233)	(63,063)	(5,833)	(1,216,649)	(9,337,728)	(1,462)	(21,943,937)	(1,033,719)	(6,909,477)	(289,423,534)
Closing net book value June 30, 2025	2,978,682,000	1,037,862,338	1,234,457,019	367,565	52,497	11,275,963	89,075,480	1,315	100,761,638	9,303,468	62,636,396	5,514,943,884
Annual depreciation rate %	-	10%	10%	10%	10%	10%	10%	10%	20%	10%	10%	10%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

June 30, 2024

	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, 2023	1,708,923,500	748,270,342	869,817,905	11,822,861	205,364	26,013,715	158,617,520	22,375	132,779,360	19,614,697	49,502,842	3,725,691,571
Cost	-	(268,136,295)	(156,115,462)	(11,344,386)	(340,653)	(15,607,261)	(86,746,205)	(20,251)	(64,289,039)	(8,128,054)	(11,053,354)	(632,461,840)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net book value	1,708,923,500	480,134,047	713,702,443	478,475	64,711	10,407,454	71,871,315	1,624	68,490,321	11,486,643	37,449,488	3,103,129,731
Year ended June 30, 2024												
Opening net book value	1,708,923,500	480,133,747	713,702,443	478,475	64,711	10,407,454	71,871,315	1,624	68,490,321	11,485,763	37,449,488	3,103,129,731
Additions during the year	-	-	(16,025,318)	-	-	2,491,130	19,852,095	-	55,834,428	-	12,312,200	726,445,101
Additions (Transferred from CWP)	422,965,482	305,907,594	-	-	-	-	-	-	1,024,000	-	3,890,000	533,767,476
Revaluation	336,626,900	622,548,233	33,652,968	-	-	-	-	-	-	-	-	1,212,567,321
Disposals / transfers	-	-	(1,297,330)	-	-	-	-	-	(4,269,307)	-	-	(5,596,637)
Cost	-	-	733,383	-	-	-	-	-	3,096,521	-	-	4,430,004
Accumulated depreciation	-	(5,411,931)	(95,629,849)	(47,848)	(6,481)	(1,161,026)	(8,124,758)	(1,623)	(20,181,502)	(1,148,376)	(6,217,419)	(187,979,663)
Depreciation charge for the year	-	-	(95,629,849)	(47,848)	(6,481)	(1,161,026)	(8,124,758)	(1,623)	(20,181,502)	(1,148,376)	(6,217,419)	(187,979,663)
Closing net book value June 30, 2024	2,468,215,482	1,153,178,043	1,267,176,212	430,627	58,230	11,737,528	83,746,557	1,462	104,644,567	10,338,287	67,484,069	5,396,783,139
Annual depreciation rate %	-	10%	10%	10%	10%	10%	10%	10%	20%	10%	10%	10%

Lease hold land and building are located at Block-1 E.B Area Industrial Area Karachi with an area of 1000 (2024: 1000) square yards.

Lease hold land and building are located at North Karachi Industrial Area Karachi with an area of 5,994.43 (2024: 5,994.43) square yards.

Lease hold land and building are located at North Karachi Industrial Area Karachi with an area of 6,908.44 (2024: 6,908.44) square yards.

Lease hold land is located at North Karachi Industrial Area Karachi with an area of 1,922.23 (2024: 1,922.23) square yards.

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

	Note	2025 Rupees	2024 Rupees
Cost of sales	31.1	255,526,104	158,612,224
Administrative expenses	33	33,897,450	29,467,538
		<u>289,423,554</u>	<u>187,979,662</u>

4.1.1

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

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							
HONDA CIVIC	WAMIQ SABIR	1,250,000	960,003	289,997	1,800,000	1,510,003	Negotiation
HONDA DREAM-70	ABDUL REHMAN	67,500	53,212	14,288	30,000	15,712	Negotiation
SUZUKI	EFU INSURANCE	395,000	13,167	381,833	350,000	(31,833)	Insurance Claim
HI-SPEED	EFU INSURANCE	37,000	35,706	1,294	40,000	38,706	Insurance Claim
HONDA CITY	EFU INSURANCE	835,000	822,460	12,540	1,400,000	1,387,460	Insurance Claim
SUPER POWER 70	MUHAMMAD AYAN SHEKH	54,500	39,612	14,888	25,000	10,112	Negotiation
		<u>2,639,000</u>	<u>1,924,159</u>	<u>714,841</u>	<u>3,645,000</u>	<u>2,930,159</u>	
	2025	<u>2,639,000</u>	<u>1,924,159</u>	<u>714,841</u>	<u>3,645,000</u>	<u>2,930,159</u>	
	2024	<u>5,596,831</u>	<u>4,430,004</u>	<u>1,166,827</u>	<u>5,095,000</u>	<u>3,928,173</u>	

4.3 Had there been no revaluation the related figures of land, building and plant & machinery at June 30, 2025 would have been as follows:

	Cost as on June 30, 2025	Accumulated depreciation	Book value June 30, 2025	Cost as on June 30, 2024	Accumulated depreciation	Book value June 30, 2024
Leasehold land	752,759,249	-	752,759,249	442,292,641	-	442,292,641
Building on leasehold land	616,466,244	579,992,393	36,473,851	616,466,244	464,674,589	151,791,655
Plant & machinery	2,273,065,335	734,519,256	1,538,546,079	2,203,567,570	602,303,048	1,601,264,522
	<u>3,642,290,828</u>	<u>1,314,511,650</u>	<u>2,327,779,179</u>	<u>3,262,326,455</u>	<u>1,066,977,637</u>	<u>2,195,348,818</u>

	Note	2025 Rupees	2024 Rupees
4.4 Capital work in progress - at cost			
Building - civil works		343,358,102	112,999,080
Plant & machinery		129,597,746	101,579,647
Solar plant		353,550	-
		<u>473,309,398</u>	<u>214,578,727</u>

The movement in Capital work in progress is as follows:

Balance at the beginning of the year		214,578,727	145,083,362
Additions during the year:			
Land		310,466,608	422,965,482
Building - civil works		230,359,022	140,240,382
Motor vehicle		-	1,024,000
Solar plant		353,550	3,890,000
Plant & machinery		28,018,099	35,162,977
		<u>569,197,279</u>	<u>603,282,841</u>
Transfer to operating fixed assets / expense			
Land		310,466,608	422,965,482
Building - civil works		-	105,907,994
Motor vehicle		-	1,024,000
Solar plant		-	3,890,000
		<u>310,466,608</u>	<u>533,787,476</u>
Balance at the end of the year		<u>473,309,398</u>	<u>214,578,727</u>

5 Intangible Asset

Software		2,462,333	2,735,927
Less: Amortization	33	(246,233)	(273,593)
		<u>2,216,100</u>	<u>2,462,334</u>
Amortization rate		10%	10%

TOWELLERS LIMITED

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

6 RIGHT-OF-USE ASSET

Balance at the beginning of the year		5,435,798	-
Additions during the year	6.1	-	6,039,776
Depreciation charge during the year		(603,978)	(603,978)
Balance at the end of the year		<u>4,831,820</u>	<u>5,435,798</u>

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

Balance at the beginning of the year		6,039,776	-
Additions during the year		-	6,039,776
Interest expense		160,851	-
Balance at the end of the year		6,200,627	6,039,776
Overdue		(2,160,000)	(1,080,000)
Current portion		(782,254)	(1,080,000)
Non-current portion		<u>3,258,372</u>	<u>4,040,627</u>

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% (2024: 17.5%) per annum have been used as discounting factor.

	2025			2024		
	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	1,080,000	297,746	782,254	1,080,000	-	1,080,000
Later than one year but not later than five years	4,592,700	2,339,967	2,252,733	4,481,999	1,899,467	2,582,532
More than five years	3,631,635	2,625,996	1,005,639	4,822,334	3,384,241	1,438,093
	<u>9,304,335</u>	<u>5,263,708</u>	<u>4,040,627</u>	<u>10,384,333</u>	<u>5,283,708</u>	<u>5,120,625</u>

	Note	2025 Rupees	2024 Rupees
7 LONG TERM LOANS AND ADVANCES			
Loan to employees - secured			
Executives	7.1	34,159,327	35,321,750
Other employees	7.2	7,638,058	4,271,505
		<u>41,797,385</u>	<u>39,593,255</u>
Current portion of loans shown under current assets			
Executives	12	(7,217,400)	(13,969,018)
Other employees	12	(6,426,369)	(3,459,919)
		<u>(13,643,769)</u>	<u>(17,428,937)</u>
		<u>28,153,616</u>	<u>22,164,318</u>
7.1 Movement in loans to executives			
Balance at the beginning of the year		35,321,750	28,239,191
Amount disbursed during the year		7,287,177	16,447,750
		<u>42,608,927</u>	<u>44,686,941</u>
Amount received/recovered during the year		(8,449,600)	(9,365,191)
Balance at the end of the year		<u>34,159,327</u>	<u>35,321,750</u>
7.1.1 Maximum amount due from executives during the year, calculated by reference to month-end balances, was Rs.36,786,813 (2024: Rs.30,850,404).			
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		30,163,335	29,779,925
		<u>30,163,335</u>	<u>29,779,925</u>
9 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		50,103,762	48,665,123
Spare parts and loose tools		8,497,682	9,304,443
		<u>58,601,444</u>	<u>57,969,566</u>

TOWELLERS LIMITED

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

- 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	1,286,119,870	621,997,756
Work in process		442,713,741	303,958,013
Finished goods	10.2	343,683,477	553,269,083
		<u>2,072,517,088</u>	<u>1,479,224,852</u>

- 10.1 Raw material stock cost PKR: Nil have been valued at PKR: 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.
10.2 Finished Goods stock cost PKR: Nil have been valued at PKR: 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.
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.945,927 and valued at NRV.

	Note	2025 Rupees	2024 Rupees
11 TRADE DEBTS			
Secured against letter of credit			
Foreign debts		1,194,309,105	788,612,034
Unsecured-considered good			
Foreign debts		889,883,690	1,408,955,239
Domestic debts		4,092,969	7,626,151
		893,976,659	1,416,581,390
Considered doubtful			
Allowance for ECL	11.1	24,114,663 (24,114,663)	25,202,139 (25,202,139)
		<u>2,088,285,764</u>	<u>2,205,193,423</u>
11.1 Particulars of allowance for ECL on doubtful debts			
Balance at beginning of the year		25,202,139	20,558,715
Allowance no longer required		(6,998,636)	(467,731)
Change during the year	33	5,911,160	5,111,155
Balance at the end of the year		<u>24,114,663</u>	<u>25,202,139</u>
12 LOANS AND ADVANCES			
Current Portion - Long Term Loans And Advances			
Executive - secured	7	7,217,400	13,969,018
Others - secured	7	6,426,369	3,459,919
		13,643,769	17,428,937
Advances:			
to suppliers		52,140,193	49,643,209
for services		16,612,950	13,993,706
Advance against purchase of land		-	203,995,300
		68,753,143	267,632,215
		<u>82,396,912</u>	<u>285,061,152</u>
13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits		12,525,668	13,260,130
Prepayments		24,673,832	24,024,384
Prepaid markup		5,106,325	-
Less: Impairment loss		(966,114)	(966,114)
		<u>41,339,711</u>	<u>36,318,400</u>
14 OTHER RECEIVABLES			
Considered good			
Export rebate		124,299,117	121,223,152
Drawback local taxes levies		94,559,064	97,597,096
		<u>218,858,181</u>	<u>218,820,248</u>

TOWELLERS LIMITED

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

	Note	2025 Rupees	2024 Rupees
15 INCOME TAX AND SALES TAX REFUNDABLE			
Balance at the beginning of the year		(70,907,852)	(11,502,627)
Prepaid levies		291,839,430	41,474,051
Provision for taxation (adjusted)		(176,311,860)	(100,879,276)
Balance at the end of the year		44,619,719	(70,907,852)
Sales tax refundable		656,158,000	574,057,395
		700,777,719	503,149,543
16 SHORT TERM INVESTMENTS			
- Fair value through profit or loss	16.1	246,543,690	786,037,671
16.1 Name of funds			
		2025	2024
		No. of units	No. of units
		Rupees	Rupees
Faysal Islamic cash fund		2,162,651	7,813,586
Faysal Islamic Financial Growth Plan-II		289,530	-
HBL Islamic money market		619	146
ABL cash funds		26,092	433,717
Alfalah Islamic Rozana Amdani Fund (AIRAF)		3,607	3,254
AISF-Alfalah Islamic Sovereign Plan-I (AISF-AISP-1)		1,130	-
		2,483,628	8,250,702
		2025	2024
		Rupees	Rupees
Faysal Islamic cash fund		216,758,192	781,360,386
Faysal Islamic Financial Growth Plan-II		28,987,311	-
HBL Islamic money market		62,870	14,747
ABL cash funds		261,361	4,337,165
Alfalah Islamic Rozana Amdani Fund (AIRAF)		360,765	325,373
AISF-Alfalah Islamic Sovereign Plan-I (AISF-AISP-1)		113,191	-
		246,543,690	786,037,671
17 CASH AND BANK BALANCES			
Cash in hand		1,823,535	2,819,137
Cash at banks:			
In current accounts		126,960,127	230,237,458
In saving accounts	17.1	696,149,483	468,696,120
		823,109,610	698,933,578
		824,933,145	701,752,715
17.1	It carries mark up at the rate of 4.50% to 10% (2024: 4.5% to 20.50%) per annum.		
18 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
		2025	2024
		Number of shares	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
1,012,753	1,012,753	Ordinary shares of Rs. 10 each allotted as bonus shares	10,127,530
6,615,000	6,615,000	Ordinary shares of Rs. 10 each allotted for consideration against plant & machinery	66,150,000
17,000,000	17,000,000		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.		

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

	Note	2025 Rupees	2024 Rupees
19 RESERVES		5,945,433,021	5,689,919,726
19.1 CAPITAL RESERVES			
Share premium on ordinary shares	19.1.1	63,000,000	63,000,000
Revaluation surplus		-	-
		<u>63,000,000</u>	<u>63,000,000</u>
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	5,882,433,021	5,626,919,726
		<u>5,882,433,021</u>	<u>5,626,919,726</u>
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		2,879,858,480	2,135,091,527
Surplus on revaluation of land, building & plant and machinery		-	1,212,567,321
Less: Deferred Tax		-	(418,089,999)
		<u>2,879,858,480</u>	<u>2,929,568,849</u>
Transfer to equity - incremental depreciation		(117,334,451)	(49,710,369)
Less: Deferred Tax		-	-
Balance at the end of the year		<u>2,762,524,029</u>	<u>2,879,858,480</u>
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	219,288,055	190,275,002
		<u>219,288,055</u>	<u>190,275,002</u>
21.1 Movement in the net liability recognized at the reporting date			
Opening net liability		190,275,002	176,081,034
Expense for the year	21.2	77,516,373	63,762,872
Remeasurement Loss recognized in other comprehensive income	21.3	20,541,293	8,108,549
		<u>288,332,668</u>	<u>247,952,455</u>
Benefits paid during the year		(69,044,613)	(57,677,453)
Closing net liability		<u>219,288,055</u>	<u>190,275,002</u>
21.2 Expense recognized in the profit or loss account			
Current service cost		59,440,484	46,051,173
Interest cost		18,075,889	17,711,699
		<u>77,516,373</u>	<u>63,762,872</u>
21.3 Expense recognized in other comprehensive income			
Net actuarial Loss recognized in the statement of financial position		20,541,293	8,108,549
		<u>20,541,293</u>	<u>8,108,549</u>

TOWELLERS LIMITED

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

	Note	2025 Rupees	2024 Rupees			
21.4 Movement in the present value of defined benefit obligation						
Present value of defined benefit obligation		190,275,002	176,081,034			
Past service cost		-	-			
Current service cost		59,440,484	46,051,173			
Interest cost		18,075,889	17,711,699			
Actuarial loss		20,541,293	8,108,549			
Benefits paid		(69,044,613)	(57,677,453)			
		<u>219,288,055</u>	<u>190,275,002</u>			
21.5 Gratuity expenses have been allocated as follows						
Cost of goods sold		59,139,878	47,882,313			
Administrative expenses		18,376,495	15,880,559			
		<u>77,516,373</u>	<u>63,762,872</u>			
21.6 Historical information						
		2025	2024	2023	2022	2021
Present value of defined benefit obligation		219,288,055	190,275,002	176,081,034	174,793,710	163,375,631
21.7 Reconciliation						
Present value of defined benefit obligation					219,288,055	190,275,002
					<u>219,288,055</u>	<u>190,275,002</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 actuarial assumption used in the valuation.						
					%	%
Discount rate					12.75%	14.00%
Avg. rate of increase in salary					10.00%	10.00%
Expected year of services (years)					20	19
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					(19,540,825)	22,443,574
Expected rate of increase in future salaries					22,823,288	(20,166,842)
21.11						
Expected gratuity expense for the year ending June 30, 2026 works out to Rs. 101,638,063/-.						
21.12						
The weighted average duration of defined benefit obligation is 20 years.						
22 DEFERRED TAXATION						
Taxable temporary differences	22.1				<u>133,137,169</u>	<u>368,279,868</u>
22.1 Defered tax liability/ (asset) comprises of temporary differences relating to-Taxable/(deductible) temporary differences						
Accelerated tax depreciation allowance					111,089,775	34,602,738
Surplus on revaluation of property, plant and equipment					209,274,463	418,089,999
Staff Retirement Benefits					(85,522,341)	(74,207,251)
Allowance for ECL					(9,404,719)	(9,828,834)
Net Unrealized Gain					5,446,163	-
Impairment loss					(376,784)	(376,784)
Difference of Minimum Tax & Normal Tax					(97,369,388)	-
					<u>133,137,169</u>	<u>368,279,868</u>

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

	Note	2025 Rupees	2024 Rupees
23 LONG TERM LOAN			
Bank Al Habib Limited		32,508,410	36,621,333
Less: current portion of long term loan		(4,112,924)	(4,112,924)
		28,395,486	32,508,409
23.1	This facility has been availed Rs.32.51 million (2024: Rs.36.62 million) under SBP Financing Scheme for Renewable Energy which is repayable in ten years in quarterly installments. The Loan bears the markup rate of 4% including the SBP financing rate of 2% and is secured against the Equitable Mortgage Charge on land & building and hypothecation charge over the solar equipment.		
24 TRADE AND OTHER PAYABLES			
Trade Creditors		1,908,921,758	1,983,405,861
Contract liabilities	24.1	74,747,400	64,997,544
Accrued liabilities		250,555,640	179,476,363
Workers' profit participation fund	24.2	14,408,067	43,734,148
Sindh Worker's Welfare Fund	24.3	5,331,444	25,765,452
Gas infrastructure development cess		39,090,000	39,090,000
Other payable		3,452,435	3,452,435
		2,296,506,744	2,339,921,803
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. 49,782,871 (2024: Rs.36,616,889) has been recognized in current year in respect of advance from customers at the beginning of the year.		
24.2 Workers' profit participation fund			
Balance at the beginning of the Year		43,734,148	135,795,726
Interest on fund utilized in company's business	36	3,316,506	15,625,810
		47,050,654	151,421,536
Paid during the year		(47,050,654)	(151,421,536)
		-	-
Allocation for the year	34	14,408,067	43,734,148
Balance at the end of the Year		14,408,067	43,734,148
24.3 Sindh Worker's Welfare Fund			
Balance at the beginning of the year		25,765,452	15,605,378
Allocation for the year	34	4,874,645	10,160,074
Surcharge		31,870	-
		30,671,966	25,765,452
Paid during the year		(25,340,522)	-
Balance at the end of the year		5,331,444	25,765,452
25 UNCLAIMED DIVIDEND			
Unclaimed dividend		3,964,601	3,519,240
26 ACCRUED MARKUP			
Markup on long term borrowing		161,392	135,733
		161,392	135,733

TOWELLERS LIMITED

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

	Note	2025 Rupees	2024 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			
Export finance scheme	28.1	790,000,374	250,000,000
		<u>790,000,374</u>	<u>250,000,000</u>
28.1	The Company availed Rs.790 million (2024: 250 million) from total credit facility of Rupees 1 billion (2024: Rs. 1 billion) under Islamic Export Financing Scheme (EFS) 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.		
29 CONTINGENCIES AND COMMITMENTS			
29.1 Contingencies			
29.1.1	The Company filed CP No.D-6619 in the Sindh High Court on dated 31-10-2017 against the imposition of section 5A of income tax ordinance 2001 for the tax on undistributed profit. The Honorable Sindh High Court grant stay order and respondents are restrained for taking any action against the Company pursuant to the impugned amendments in Finance Act 2017. Therefore no provision for the tax on undistributed profit has been recorded in this financial statement ended June 30, 2025.		
29.1.2	The Company filed C.P.L.A No.470/2023 for tax year 2023 against recover the Super Tax on presumptive incomes and on income from other sources which was also at higher rates, amounting to Rs. 68.23 M, against which no provision has been made in the accounts (on additional heads). The Company had filed a petition challenging the vires of super tax schedule amended retrospectively along with notice issued and/or any proceeding initiated by the Inland Revenue in terms of Section 4-C of the Income Tax Ordinance, 2001 before the Honorable Islamabad High Court. The Honorable Court has granted stay on the recovery of such additional super tax. In case of unfavorable outcome of the case, the Company might have to incur an additional super tax liability of Rs. 44.48 M, though the Company is confident that such retrospective incurrence of tax will not be allowed by the Honorable Court.		
29.1.3	The Company filed Petition No.792/2024 for tax year 2024 against recover the Super Tax on presumptive incomes and on income from other sources which was also at higher rates, amounting to Rs. 87.43 M, against which no provision has been made in the accounts (on additional heads). The Company had filed a petition challenging the vires of super tax schedule amended retrospectively along with notice issued and/or any proceeding initiated by the Inland Revenue in terms of Section 4-C of the Income Tax Ordinance, 2001 before the Honorable Islamabad High Court. The Honorable Court has granted stay on the recovery of such additional super tax. In case of unfavorable outcome of the case, the Company might have to incur an additional super tax liability of Rs. 47.72 M, though the Company is confident that such retrospective incurrence of tax will not be allowed by the Honorable Court.		
29.1.4	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.		
29.1.5	The Company had filed court petition in Honorable Islamabad High Court against the super tax levy on presumptive incomes and on income from other sources and on levy of super tax retrospectively. The outcome of the case was decided in favor of the Company by the Honorable High Court. However the FBR filed appeal with Honorable Supreme Court and recovery notices were issued by the Department against the Company. The Honorable Sindh High Court granted stay order against any forced recovery by the department in favor of Company. The Company also filed an appeal against the order by the Income Tax Department. Outcome of this appeal is subject to the pending review petition filed with Honorable Supreme Court of Pakistan. Super Tax provision has been made in these accounts for the tax year 2025. In case of unfavorable outcome of the case, the Company might have to incur an additional super tax liability of Rs. 44.48 M, though the Company is confident that such retrospective incurrence of tax will not be allowed by the Honorable Court.		
29.1.6	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.		
29.1.7	Bank guarantees issued in the ordinary course of business.		22,997,600
		<u>22,997,600</u>	<u>22,997,600</u>

TOWELLERS LIMITED

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

	Note	2025 Rupees	2024 Rupees
29.2 Commitments			
Raw material		71,309,700	49,148,750
Commitments for capital expenditure		530,540,978	-
		<u>601,850,678</u>	<u>49,148,750</u>
30 SALES - NET			
Export	30.1	12,574,912,725	12,658,892,647
Local waste		24,413,222	31,531,665
Less: sales tax on waste sales		(3,925,830)	(5,114,424)
		<u>12,595,400,117</u>	<u>12,685,309,888</u>
Rebate & duty drawback		114,301,315	132,789,236
Commission on exports		(51,296,922)	(25,390,153)
Discount on exports		(311,402,632)	(477,787,899)
		<u>12,347,001,878</u>	<u>12,314,921,073</u>
30.1 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rs.162.81 million (2024: Rs.42.26 million) has been included in export sales.			
	Note	2025 Rupees	2024 Rupees
31 COST OF SALES			
Cost of goods manufactured	31.1	10,979,357,396	10,950,920,280
Finished goods			
Opening stock		553,269,083	685,162,050
Closing stock		(343,683,477)	(553,269,083)
		<u>11,188,943,001</u>	<u>11,082,813,247</u>
31.1 Cost of goods manufactured			
Raw material consumed	31.1.1	5,129,066,667	5,602,310,282
Purchase (semi finished goods)		1,131,835,092	1,414,972,730
Stores and spares consumed	31.1.2	217,175,881	209,214,223
Other manufacturing expenses	31.1.3	1,708,417,864	1,579,263,153
Salaries, wages and other benefits	31.1.4	1,794,918,903	1,100,458,930
Communication expenses		1,721,207	1,840,525
Conveyance		13,570,178	10,959,110
Cartage		52,226,587	47,684,625
Utilities		495,815,468	466,918,037
Insurance		59,639,006	54,753,877
Repairs and maintenance		30,505,107	33,299,876
Oil and lubricants		654,808	413,240
Printing and stationery		205,420	170,009
Subscription, fees and taxes		136,765,244	112,356,447
Entertainment expenses		51,914,370	41,084,308
Vehicle running and maintenance		37,551,239	37,752,259
Gas infrastructure development cess		-	1,726,829
Depreciation-Right-of-use assets	6	603,978	603,978
Depreciation	4.1.1	255,526,104	158,512,124
		<u>11,118,113,124</u>	<u>10,874,294,562</u>
Work in process			
Opening stock		303,958,013	380,583,731
Closing stock		(442,713,741)	(303,958,013)
		<u>(138,755,728)</u>	<u>76,625,718</u>
		<u>10,979,357,396</u>	<u>10,950,920,280</u>
31.1.1 Raw material consumed			
Opening stock		621,997,756	559,197,259
Purchases - net		5,793,188,781	5,665,110,779
		<u>6,415,186,537</u>	<u>6,224,308,038</u>
Closing stock		(1,286,119,870)	(621,997,756)
		<u>5,129,066,667</u>	<u>5,602,310,282</u>

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

	Note	2025 Rupees	2024 Rupees
31.1.2 Stores and spares consumed			
Opening stock		57,969,566	64,105,747
Purchases - net		217,807,759	203,078,042
		275,777,325	267,183,789
Closing stock		(58,601,444)	(57,969,566)
		217,175,881	209,214,223
31.1.3 Other manufacturing expenses			
Fabric dyeing and processing charges		1,240,889,651	1,111,690,115
Stitching charges		467,528,213	467,573,038
		1,708,417,864	1,579,263,152
31.1.4 Salaries, wages and other benefits include Rs.59,139,878/- (2024: Rs. 47,882,313/-) in respect of staff retirement benefits (gratuity).			
32 DISTRIBUTION COST			
Export development surcharge		31,346,428	31,882,817
Export freight		221,294,150	157,641,012
Cleaning and forwarding		87,856,081	63,018,182
Marine insurance		7,264,257	6,708,617
Advertisement		-	99,000
Fair & exhibition		42,394,238	34,521,876
Entertainment		725,795	304,850
Travelling		106,164,156	49,878,008
Sales promotion expense		2,519,709	1,871,065
		499,564,813	345,925,426
33 ADMINISTRATIVE EXPENSES			
Directors' remuneration		61,801,820	54,728,584
Staff salaries and other benefits	33.1	263,059,365	207,212,305
Conveyance		295,164	253,624
Vehicle running and maintenance		24,438,718	16,469,671
Subscription, fees and taxes		17,534,982	21,198,593
Utilities		8,153,375	5,855,984
Printing and stationery		757,838	334,242
Legal and professional charges		5,086,144	2,345,425
Repairs and maintenance		9,570,729	10,892,446
Communication expenses		20,766,164	18,231,606
Entertainment		11,277,093	11,229,895
Office expenses		-	248,640
Insurance		12,732,809	12,119,487
Advertisement		315,512	188,500
Allowance for ECL	11.1	5,911,160	5,111,155
Miscellaneous expenses		-	2,170,654
Other expense		8,956,452	7,749,226
Depreciation	4.1.1	33,897,430	29,467,538
Amortization	5	246,233	273,593
		484,800,989	406,081,168
33.1 Staff salaries and other benefits includes Rs.18,376,495/- (2024: Rs.15,880,559/-) in respect of staff retirement benefits (gratuity).			

TOWELLERS LIMITED

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

	Note	2025 Rupees	2024 Rupees
34 OTHER OPERATING EXPENSES			
Worker's profit participation fund	24.2	14,408,067	43,734,148
Auditor's remuneration	34.1	1,489,295	1,358,023
Donation	34.2	13,096,558	35,781,985
Unrealized exchange loss on FCY		-	18,070,975
Un-Realized Exchange loss on Foreign vendors		5,722,250	-
Sindh Worker's welfare fund	24.3	4,874,645	10,160,074
Sindh Worker's welfare fund-Surcharge		31,870	-
		<u>39,622,685</u>	<u>109,105,205</u>
34.1 Auditor's remuneration			
Annual audit fee		1,147,125	1,147,125
Half yearly review fee		155,898	155,898
Code of Corporate Governance review		55,000	55,000
Other services		131,272	-
		<u>1,489,295</u>	<u>1,358,023</u>
34.2	During the current year donation has been given to Lady Dufferin Hospital, SIUT Trust and Citizen foundation. None of the Directors or their spouses had any interest in the donee.		
35 OTHER INCOME			
From financial assets			
Profit on savings account		74,538,230	161,301,313
Profit on mutual funds investment		50,536,535	292,429,597
Un-Realized-Profit on mutual funds investment		25,005	-
Un-Realized Exchange gain on FCY		3,429,945	21,372
From other than financial assets			
Gain on sale of property, plant and equipment	4.2	2,930,159	3,928,173
		<u>131,459,874</u>	<u>457,680,456</u>
36 FINANCE COST			
Interest on WPPF	24.2	3,316,506	15,625,810
Mark-up on lease liability		160,851	-
Mark-up on short term borrowing		7,818,324	2,441,880
Mark-up on long term borrowing		1,426,331	1,233,281
Bank charges		16,918,956	11,800,961
		<u>29,640,967</u>	<u>31,101,932</u>
37 TAXATION			
37.1 LEVIES			
Minimum Tax	37.2.1	166,036,109	171,184,843
		<u>166,036,109</u>	<u>171,184,843</u>
37.2 INCOME TAX			
Current year		3,146,917	112,566,339
Prior Year Adjustment		7,128,833	969,540
Deferred tax		(227,131,595)	(46,647,797)
		<u>(216,855,845)</u>	<u>66,888,082</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.		

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

	Note	2025 Rupees	2024 Rupees
38 EARNINGS PER SHARE			
Basic earnings per share			
Profit for the year	Rupees	286,709,033	559,501,627
Weighted average number of ordinary shares outstanding during the year	Numbers	17,000,000	17,000,000
Eaming per share - basic	Rupees	16.87	32.91

Diluted earnings per share

There were no convertible dilutive potential ordinary shares in issue as at June 30, 2025 and June 30, 2024.

39 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025			2024		
	CEO	Directors	Executives	CEO	Directors	Executives
	Rupees			Rupees		
Managerial remuneration	14,823,504	46,978,316	136,108,412	12,576,229	42,152,355	107,926,311
Bonus	-	-	19,282,025	-	-	15,109,684
Staff retirement gratuity	-	-	15,428,962	-	-	-
Utilities	-	1,079,652	1,582,981	-	2,390,178	908,933
Medical expenses	-	1,986,245	1,240,092	-	2,452,085	675,492
Others	-	7,800	224,000	-	-	1,365,835
	14,823,504	50,052,013	173,866,472	12,576,229	46,994,618	125,986,255
Number of persons	1	7	53	1	7	40

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:

Nature of transaction	Relationship	2025	2024
Salaries and other benefits	Key management personnel	64,875,517	59,570,847

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

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

	Note	2025 Rupees	2024 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:

		2025 Rupees	2024 Rupees
Long Term Loans And Advances	7	28,153,616	22,164,318
Long Term Deposits	8	30,163,335	29,779,925
Trade debts	11	2,088,285,764	2,205,193,423
Loans and advances	12	82,396,912	285,061,152
Trade deposits and short term prepayments	13	41,339,711	36,318,400
Other Receivables	14	218,858,181	218,820,248
Short Term Investment	16	246,543,690	786,037,671
Cash and bank balances	17	824,933,145	701,752,715
		3,560,674,355	4,285,127,852

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

		2025 Rupees	2024 Rupees
Domestic	11	4,092,969	1,599,455
Export	11	2,108,307,458	2,203,593,968
Allowance for ECL		(24,114,663)	(25,202,139)
		2,088,285,764	2,179,991,284

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	
	2025	2024
	Rupees	
Not past due	1,715,125,644	1,985,843,005
Past due 0 - 30 days	121,165,332	132,903,398
Past due 31 - 90 days	68,712,678	37,774,015
Past due 91 days - 1 year	167,530,997	8,216,825
More than one year	39,865,776	40,456,180
	2,112,400,427	2,205,193,423
Allowance for ECL	(24,114,663)	(25,202,139)
	2,088,285,764	2,179,991,284

TOWELLERS LIMITED

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

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:

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	-	-	-
Book Overdraft	27,697,886	27,697,886	27,697,886	-	-	-
	3,048,935,460	3,048,935,460	3,016,427,050	4,112,924	28,395,486	-
2024						
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	36,621,333	36,621,333	-	4,112,924	32,508,409	-
Trade and other payables	2,339,921,802	2,339,921,802	2,339,921,802	-	-	-
Accrued markup	135,733	135,733	135,733	-	-	-
Short term borrowing	250,000,000	250,000,000	250,000,000	-	-	-
Book Overdraft	-	-	-	-	-	-
	2,626,678,868	2,626,678,868	2,590,057,535	4,112,924	32,508,409	-

41.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up 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 2025	7,274,033	136,619	-	2,108,307,458
Trade Creditors 2025	1,888,997	-	-	536,664,053
Trade debts 2024	7,976,545	-	-	2,203,593,968

The following significant exchange rates applied during the year:

	Average rates		Reporting date rates	
	2025	2024	2025	2024
US Dollar to Rupee	281.20	282.45	284.10	278.30
Euro to Rupee	315.62	298.41	332.83	298.41

TOWELLERS LIMITED

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

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 opposite effect on the above currencies to the amount shown below, on the basis that all other variables remain constant.

	2025 Rupees	2024 Rupees
US Dollar	(152,988,863)	(221,987,249)
Euro	4,547,103	-

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.

	2025	2024
Fixed rate instruments		
Financial assets	5,044,337,442	4,444,140,556
Variable rate instruments		
Financial assets	696,149,483	468,696,120
Financial liabilities	2,296,506,744	2,339,921,802

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, 2025.

	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Rupees			
Cash flow sensitivity - variable rate instruments 2025	22,965,067	(22,965,067)	-	-
Cash flow sensitivity - variable rate instruments 2024	23,399,218	(23,399,218)	-	-

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 commodity price risk as it does not hold financial instruments based commodity prices.

41.4 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

41.5 Off balance sheet items

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

TOWELLERS LIMITED

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

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 balance sheet plus borrowings.

Total equity	Rupees	8,877,957,050	8,739,778,206
Total borrowing	Rupees	822,508,784	286,621,533
Total capital employed	Rupees	<u>9,700,465,835</u>	<u>9,026,399,739</u>
Gearing ratio	Percentage	<u>8.48%</u>	<u>3.18%</u>

43 MEASUREMENT OF FAIR VALUES:

A number of the Company's accounting policies and disclosure require the 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 COMPLIANT DISCLOSURE

Statement of Financial Position

1 Shariah compliant bank borrowings	822,508,784	286,621,333
2 Mark-up accrued on Shariah compliant	161,392	135,733
3 Short term Shariah compliant investments	246,543,690	786,037,671
4 Shariah compliant bank deposits	743,498,795	652,875,036

Shariah compliant income

5 Income from Mutual Islamic Funds	50,536,535	292,429,597
6 Profit on Islamic saving accounts	61,426,754	146,816,980
7 Un-Realized Exchange gain on FCY	3,429,945	21,372

Non-Shariah compliant income

8 Profit on Islamic saving accounts	13,111,476	145,612,617
9 Gain on disposal of property plant and equipment	2,930,159	3,928,173

Relationship with Shariah compliant financial institutions.

Bank Alhabib Limited.
Dubai Islamic Bank of Pakistan.
Albaraka Bank Limited Pakistan.

Facilities from Islamic banks

The Company has facilities with Islamic Bank for Islamic Export Financing Scheme and SBP Financing Scheme for Renewable Energy to Rs.790 million and Rs.32.51 respectively.

Takaful operators

The Company has Takaful relationship with Century Insurance Company Limited and EFU General Insurance Company Limited.

46 GENDER PAY GAP

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

TOWELLERS LIMITED

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

47 SEGMENT RESULTS

47.1 Products and services from which reportable segments derive their revenues

Information reported to the Company's

Segment

Garments

Towels

Information regarding Company's reportable segments is presented below:

47.2 Information about reportable segments:

	GARMENT DIVISION	TOWEL DIVISION	TOTAL	GARMENT DIVISION	TOWEL DIVISION	TOTAL
	2025	2025		2024	2024	
Sales-Net	7,251,572,674	5,095,429,204	12,347,001,878	7,428,360,391	4,886,560,682	12,314,921,073
Cost of sales	(6,419,076,588)	(4,769,866,413)	(11,188,943,001)	(6,596,383,344)	(4,486,429,902)	(11,082,813,246)
Gross profits:	832,496,086	325,562,791	1,158,058,877	831,977,047	400,130,779	1,232,107,827
Distribution cost	(370,211,319)	(129,353,494)	(499,564,813)	(240,501,412)	(105,424,014)	(345,925,426)
Segment result	462,284,767	196,209,297	658,494,064	591,475,635	294,706,765	886,182,401
Unallocated / expenses / income						
Administrative expenses			(484,800,989)			(406,081,168)
Other operating expenses			(39,622,685)			(109,105,205)
Other income			131,459,874			457,680,456
Finance cost			(29,640,967)			(31,101,932)
Profit Before Levies And Taxation			235,889,297			797,574,552
Levies			(166,036,109)			(171,184,843)
Profit before taxation			69,853,188			633,978,084
Income tax			216,855,845			(66,888,082)
Profit for the year			286,709,033			559,501,627

47.3 SEGMENT ASSETS AND LIABILITIES

	GARMENT DIVISION	TOWEL DIVISION	TOTAL
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
As at June 30, 2024			
Segment assets	6,882,735,017	3,059,225,602	9,941,960,619
Segment liabilities	1,329,766,209	637,555,208	1,967,321,417

TOWELLERS LIMITED

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

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

	2025	2024
	Rupees	Rupees
Total for reportable segments assets	10,587,469,446	9,941,960,619
Unallocated assets	1,799,952,860	1,992,771,192
Total assets as per statement of financial position	12,387,422,307	11,934,731,811
Total for reportable segments liabilities	2,504,211,909	1,967,321,417
Unallocated liabilities	1,005,253,347	1,227,632,187
Total liabilities as per statement of financial position	3,509,465,257	3,194,953,605

47.5 Geographical Information

The geographical information analyses

Europe	7,821,875,101
USA	4,602,027,819
Asia	127,404,314
Africa	13,316,370
Australia	10,289,120
Pakistan	24,413,222
Gross sales PKR	12,599,325,947
Export rebate	114,301,315
Commission & discount	(362,699,554)
Sales tax	(3,925,830)
Total sales-net PKR	12,347,001,878

47.6 Revenues from two major customer

48 NUMBER OF EMPLOYEES

Total and average number of employees at year end and during the

	2025	2024
Total number of employees as at June 30 - Factory	2217	1950
Total number of employees as at June 30 - Head Office	136	133
Total	2353	2083
Average number of employees during the year - Factory	2083	1784
Average number of employees during the year - Head Office	134	126
Total	2217	1910

49 NON ADJUSTING EVENTS AFTER THE REPORTING PERIOD

In respect of current period, the board

50 CORRESPONDING FIGURES

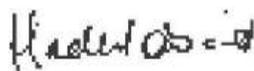
Corresponding figures have been rearranged & reclassified, where considered necessary, to comply with the requirements of Companies Act, 2017.

51 GENERAL

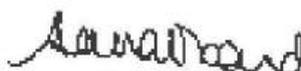
Figures have been rounded off to the nearest rupees.

52 DATE OF AUTHORIZATION FOR ISSUE

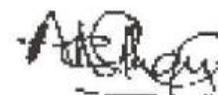
These financial statements were authorized for issue by the board of directors of the company on September 29 2025



Hadeel Obaid
Director



Sana Bilal
Director



Adnan Moosaji
Chief Financial Officer

Karachi,
September 29, 2025

CATEGORIES OF SHAREHOLDING AS ON JUNE 30, 2025

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
Pakistan Reinsurance Company Limited	1	129759	0.7633
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
MODARABA AND MUTUAL FUND			
Al Falah GHP Islamic Stock Fund	1	48,817	0.2872
PUBLIC SECTORS COMPANIES			
Y.S. Securityies & Services Pvt Ltd	1	1,000	0.0059
Burma Oil Mills Ltd	1	2,000	0.0118
HH Misbah Securities (Private) Limited	1	2,000	0.0118
NCC - Pre Settlement Delivery Account	1	181,580	1.0681
Ali Asghar Textile Mills Limited	1	2,505	0.0147
Adam Securities Ltd.	1	4,800	0.0282
Nini Securities (Private) Limited	1	1,000	0.0059
M. Munir M. Ahmed Khanani Securities Ltd.	1	41,000	0.2412
Fawad Yousuf Securities (Pvt) Ltd .	1	115,000	0.6765
Trust Securities & Brokerage Ltd.	1	1,307	0.0077
K & I Global Capital (Pvt) Ltd	1	2,000	0.0118
Al-Habib Czpital Markets (Pvt) Ltd	1	3,300	0.0194
OTHERS COMPANIES			
Trustees of UBL Fund Mngrs Ltd and Axxociated Coys E	1	3,000	0.0176
Trustees of UBL Fund Mngrs Ltd and Axxociated Coys E	1	360	0.0021
The Times Press (Pvt) Ltd	1	1,571	0.0092
Alpha Alliance (Pvt) Ltd	1	2,000	0.0118
Pakistan Human Development Fund	1	5,358	0.0315
ISPI Corporation (Pvt) Ltd	1	6,419	0.0378
Honda South (Pvt) Ltd	1	3,104	0.0183
Trustee Pakistan Petroleum Non-Executive Staff Pensio	1	2,026	0.0119
Trustee Pakistan Petroleum Non-Executive Staff Gratui	1	3,500	0.0206
Trustee Pakistan Petroleum Executive Staff Gratuity Fu	1	1,500	0.0088
Pakistan Petroleum Executive Staff Pension Fund-CD SH	1	14,047	0.0826
Novartis Pharma Pakistan Ltd Senior Provident Fund	1	11,000	0.0647
GENERAL PUBLIC			
Local	1277	1,208,658	7.1098
Foreign	105	145,782	0.8575
Total	1421	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 acknowledges its role as a contributor to the social well-being of the communities in which it operates. It recognizes its responsibility to help build and sustain a healthier and better society, which in turn fosters a more positive and supportive business environment.

The Company not only continued to distribute ration packets to the disadvantaged people within and outside the organization, but also maintained its focus on other areas such as health, mental health, education, animal welfare, and environment. During the year, the Company made contributions to several institutions and causes, including Lady Dufferin Hospital, Noorain Khan Tareen Wheelchair Donation Program, SIUT Trust, The Citizen Foundation, Zindagi Trust, Developments in Literacy, Roshan Pakistan Academy, Ayesha Chundrigar Foundation, SOS Children's Village Orphanage, as well as various orphan houses and general charities supporting deserving individuals. In addition, the Company continues to support the education of children of its deserving employees, further reinforcing its commitment to community welfare and social responsibility.

Towellers Limited continues to demonstrate its commitment to Corporate Social Responsibility (CSR) through a wide range of initiatives focused on sustainability, empowerment, and capacity building. The Company actively participated in the International Labour Organization (ILO) Sustaining Competitive and Responsible Enterprises Development Program (SCDP) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) – German Corporation for International Cooperation, Decent Future of Skills (DFS) initiative, reflecting its dedication to responsible business practices and sustainable growth. In addition, Towellers Limited has extended its support to the Karachi Down Syndrome Program (KDSP), an organization dedicated to empowering and educating children with Down syndrome, thereby promoting inclusivity and equal opportunities within society.

In line with its focus on women empowerment, Towellers engaged in the **Women's Leadership Training Program organized by GIZ in collaboration with the Lahore University of Management Sciences (LUMS)**, participated in the **Women Leadership Cohort 2**, and conducted **Gender Talk 3** on grievance handling and harassment awareness. Furthermore, a **Self-Defense Training program** was arranged to enhance the personal safety and confidence of women employees.

On the skills development front, the Company launched **On-the-Job Training Courses (OJTC)** across multiple specialized tracks, including **Industrial Machine Operator, Quality Control, and Fabric Cutting Expert**. A dedicated **training room** was also established for unskilled trainees to support their professional growth. In addition, Towellers took part in the **Human Rights and Environmental Due Diligence (HREDD) Project**, reaffirming its commitment to ethical practices and sustainability.

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

HEALTH, SAFETY AND ENVIRONMENT

TOWELLERS LIMITED

The Company remains strongly committed to safeguarding a healthy and safe environment for all, while diligently adhering to environmental standards at our production facilities. Our responsibility extends across the entire value chain, as we strive to integrate sustainability into our operations. We are equally focused on providing a secure and supportive workplace for our associates, with emphasis on reducing our carbon footprint, conserving natural resources, and maintaining responsible business practices.

In recent years, the Company has invested in advanced dyeing and processing machinery, which continue to enhance production capacity and efficiency while significantly reducing water and power consumption. These past investments are delivering ongoing benefits in terms of lower carbon emissions and resource conservation. Similarly, the previously commissioned biomass boiler system is operating successfully, enabling steam generation through clean, renewable energy and reducing reliance on fossil fuels.

The Company also prioritizes employee health and wellbeing. Regular participation in blood donation drives further reflects our commitment to community health. In addition, the entire workforce is covered under comprehensive medical insurance policies to cater for both routine and emergency medical needs.

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

Environmental protection remains a cornerstone of our strategy, particularly given the potential risks associated with textile dyeing and printing. Our effluent treatment plants are designed and operated to meet and exceed regulatory standards, ensuring wastewater is treated responsibly before discharge, thereby protecting both our employees and the surrounding ecosystem.

In line with our clean energy initiatives, the Company has successfully installed solar power systems across most premises. These not only reduce dependency on grid electricity but also align with our commitment to producing sustainable, green energy. Furthermore, the installation of a smart MRT hanging rail system has enhanced automation within manufacturing processes, contributing to both cost efficiency and sustainability.

HUMAN RESOURCE AND TRAINING

Our employees are our greatest assets and the core strength of our business. Towellers firmly believes in nurturing, investing in, and promoting its workforce. The management is committed to excellence with a clear vision that strong human resource practices and effective leadership are essential enablers of productivity and long-term competitive advantage. Accordingly, the Company places great emphasis on the optimal development of its human capital through structured training and proper guidance.

In the recent past, the Company earned distinction by securing first place in a national lean manufacturing program, where the application of productivity, quality, and lean management practices enabled Towellers to outperform peer participants. The Company remains committed to continuing such professional training initiatives aimed at grooming and developing its workforce. In addition, the Company's Directors have also undertaken structured training programs to remain fully conversant with

TOWELLERS LIMITED

the requirements of corporate governance, evolving regulatory frameworks, and the challenges of a dynamic business environment.

During the year, the Company also onboarded **Neem Pay**, introducing a digital, app-based platform through which employees can conveniently apply for salary advances. This initiative has significantly reduced the administrative burden on Company staff in managing numerous advance requests and employee accounts. Beyond convenience, the application has enhanced transparency, improved record-keeping, and empowered employees by providing them with greater control over their financial needs. The platform also facilitates quicker processing, reduced paperwork, and ensures accuracy in payroll-related transactions.

The Company continues to strengthen its internal processes and controls to improve efficiency and reduce costs. Initiatives such as replacing imported paper with local alternatives, implementing enhanced controls over sharp tool inventories, adopting 5S practices, introducing thread and fabric wastage control systems, and reducing paper consumption by shifting to digital records are examples of ongoing improvements. These initiatives not only enhance operational performance but also contribute positively toward sustainability.

WHISTLEBLOWING POLICY

The Company is committed to fostering a culture of accountability, integrity, and ethical conduct. To support this commitment, a whistleblowing policy has been implemented, providing employees with a clear and secure channel to raise concerns regarding any suspected misconduct, malpractice, or impropriety.

The policy outlines the procedures for reporting concerns, the process for review and investigation, and the safeguards in place to protect whistleblowers from retaliation. It also establishes periodic monitoring mechanisms to ensure the policy remains effective and relevant. Employees are encouraged to utilize this framework with confidence, knowing their input contributes to strengthening governance and improving overall service quality.

INSIDER TRADING

The Company has established strict guidelines to ensure that all employees, officers, members of the Board, and other relevant persons adhere to ethical practices while trading in the Company's shares. In line with these measures, no employee or their spouse is permitted to trade in the Company's shares during the designated closed period prior to the announcement of financial results. Furthermore, employees classified as executives under the Code of Corporate Governance are required to promptly notify the management of any share transactions undertaken by themselves or their spouses outside of the closed period.

POLICY FOR SAFEGUARDING OF RECORDS

The Company's policy for safeguarding records goes beyond regulatory requirements and forms part of a comprehensive Business Continuity Plan. This framework ensures the preservation of records with significant or permanent value for periods exceeding the legally stipulated timeframe, in a secure, efficient, and easily retrievable manner.

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

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- 📊 Financial calculator
- 📄 Subscription to Alerts (event notifications, corporate and regulatory actions)
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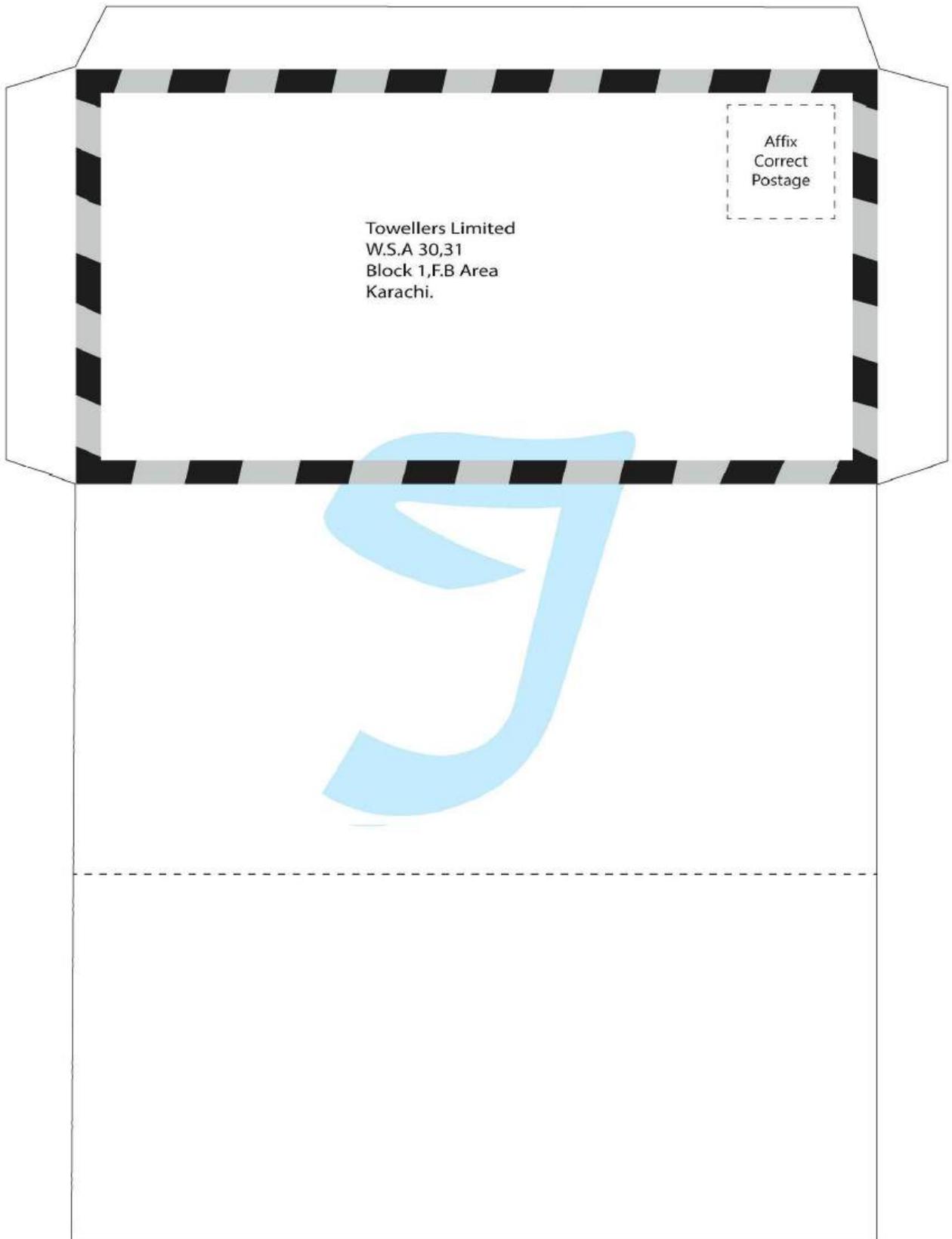
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TOWELLERS LIMITED





TOWELLERS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Fifty Second 52nd Annual General Meeting** of the Shareholders of **Towellers limited** will be held on **Tuesday October 28th 2025 at 3:30 p.m** at the Registered Office of the Company at W.S.A. 30-31, Block #1, Federal B Area Karachi and through video Link facility to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 51st Annual General Meeting held on October 25th 2024.
2. To receive and adopt the Audited Statements of Accounts for the year ended June 30th 2025 together with Chairman Review, Director's and Auditor's reports thereon.
3. To appoint Auditors for the ensuing year and fix their remuneration.

OTHERS BUSINESS:

4. Any other business with the permission of the Chair.

Karachi:
September 29th 2025

By order of the Board
M. Farhan Adil
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 21st 2025 to October 28th 2025 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar M/s THK Associates (Pvt) Limited, 32-C, Jami Commercial Street 2, D.H.A Phase V11, Karachi, 75950 by close of business on Monday 20th, October 2025 will be treated as being in time to attend and vote at the meeting.
2. A member entitled to attend and vote at this AGM may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting or emailed at farhan@towellers.com. Form of proxy is annexed to this notice and attached in the Annual Report, which is also available on the Company's website.
3. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular # 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
4. In order to maximize the member's participation, the company is convening this AGM via video link in addition to holding physical meeting with shareholders. Accordingly those members and participants who desire online participation in the AGM are requested to register themselves by sending an email along with following particulars and valid copy of their CNIC at farhan@towellers.com with subject of "Registration for TOWL AGM 2025 not less than 48 hours before the time of the meeting. Name of Shareholder, CNIC No, Folio No/CDC Account No, Mobile No, Email Address. Video Link to join the AGM will be shared with only those members whose emails, containing all the required and correct particulars, are received at farhan@towellers.com.
5. Under the second 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.
6. Shareholders, who by any reason, could not claim their dividend/shares if any are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend/shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of Unclaimed dividend and in case of shares, shall be delivered to the SECP.
7. The SECP through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form, shareholders, who hold physical shares, are advised to convert their shares into electronic form in terms of section 72 of the Companies Act, 2017.
8. The Company has circulated Audited Financial Statements to its members through QR-enabled code with weblink at their registered email addresses. Printed copy of the same can be provided to the members upon request. The Audited Financial Statements of the Company for the year ended June 30, 2025, have also been available on the Company's website.

<http://www.towellers.com/financial-information.html>



9. Pursuant to the provisions of Income Tax Ordinance, 2001, different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies, as under:

For filers of income tax returns	15%
For non-filers of income tax returns	30%

10. To comply with various statutory requirements, and to avoid any non-compliance of law in future, all shareholders are hereby advised to coordinate/update their records with their respective Participants/CDC Investor Account Services /Share Registrar are as under:

Submission of copies of their valid/updated CNIC/NTN/Zakat Declaration/Exemption Form/Tax Exemption Certificate, valid bank Account detail/IBAN for future cash Dividend, In terms of section 119 of the Companies Act 2017 and Regulation 47 of the Companies Regulations, 2024, including Mobile Number/ Land line Number and email Address, Promptly notify any change in mailing address, by writing to the office of Towellers Share Registrar.

11. No gifts /coupons shall be distributed during the Annual General Meeting, through its Circular 2 of 2018 dated February 9, 2018/ or vide its S.R.O. 452(1)/2025 dated March 17, 2025.

TOWELLERS LIMITED

پائیداری، شمولیت اور خود مختاری کے اقدامات
سال کے دوران کمپنی پائیداری، صنفی خود مختاری اور کمیونٹی کی مشغولیت کے فروغ کیلئے پرعزم رہی۔ ٹاؤلرز لمیٹڈ نے لمبرکی طرف سے GIZ کے اشتراک سے مشفقہ بین لیڈر شپ ٹریڈنگ ورکشاپ میں شرکت کی۔ ورکشاپ کا مقصد کام کی جگہ پر خواتین میں قائدانہ صلاحیت میں اضافہ، تہذیبیاتی سوچ پیدا کرنا اور اعتماد سازی تھا۔ اس کے علاوہ ہماری کیو ایم ایس ٹیم نے 'انجیکشن 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 با اختیار بنانے کے لیے ہماری حمایت کو مزید دوام بخشتا ہے۔

شیئر ہولڈنگ کا نمونہ
کمپنی ایکٹ، 2017 کے سیکشن (f)(2) 227 کے مطابق کمپنی کا 30 جون، 2025 تک شیئر ہولڈنگ کا نمونہ رپورٹ کے ساتھ لگ رہا ہے۔

ڈائریکٹرز ٹینگ

کمپنی اپنے بورڈ ممبران کی پیشہ ورانہ ترقی میں گہری دلچسپی لیتی ہے۔ ڈائریکٹرز 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 قواعد 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 مستقبل میں ترقی اور مسابقت کو مضبوط بنانے کیلئے سرمایہ کی سرمایہ سے متعلق اخراجات میں اسٹریٹجک تخصیص کو مد نظر رکھتے ہوئے بورڈ نے سال کیلئے منافع منقسمہ تجویز نہ کرنے کا فیصلہ کیا ہے۔ کمپنی کا اعتماد ہے کہ ان سرمایہ کاریوں سے آنے والے برسوں میں آپریشنل کارکردگی میں مضبوطی اور منافع بہتر ہوگا۔ ہم اپنے اسٹیک ہولڈرز کا ان کے صبر و تحمل اور تعاون کیلئے دل سے شکر گزار 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 16.87 روپے رہی۔ (32.91:2024)

چیئر مین کا جائزہ

چیئر مین کا جائزہ اس سالانہ رپورٹ کا حصہ ہے اس لئے کمپنی کے ڈائریکٹرز کا جائزہ رپورٹ کے مندرجات کی توثیق کرتے ہیں۔

آڈیٹرز

موجودہ آڈیٹرز میسرز مشتاق اینڈ کو چارٹرزڈ اکاؤنٹنٹس نے مدت پوری ہونے پر خود کو اہلیت کی بنا پر دوبارہ تقرری کیلئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی سفارشات پر میسرز مشتاق اینڈ کو چارٹرزڈ اکاؤنٹنٹس کو 30 جون، 2026 کو مکمل ہونے والے سال کیلئے ان کی ویبیری تقرری کی تجویز دیتے ہیں۔

اظہار تشکر

آپ کے ڈائریکٹرز تمام سٹیک ہولڈرز سے حوصلہ افزائی اور حمایت پر ان سے اظہار تشکر کرتے ہیں۔ ہم 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۔

29 ستمبر، 2025

ڈائریکٹر

ڈائریکٹر

اراکین کیلئے ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے 30 جون، 2025 کو مکمل ہونے والے سال کیلئے کمپنی کے پرتال شدہ مالی گوشوارے پیش کرنے میں ہمیں انتہائی مسرت ہو رہی ہے۔ یہ مالی گوشوارے اکاؤنٹنگ کے عالمی معیارات کے تقاضوں اور گلوبل فائینانسیئل ایکٹ 2017 کے سیکشن 227 کی دفعات کے مطابق تیار کئے گئے ہیں۔

معاشی جائزہ

پاکستان کی معیشت کیلئے گزشتہ تین سال (2022 سے 2024) کافی غیر مستحکم رہے۔ تاہم زیر جائزہ مدت (2024-2025) میں پاکستانی معیشت میں استحکام کے نمایاں اشارے دیکھنے کو ملے۔ افراد زر جو اس سے پہلے مسلسل زیادہ رہی، نمایاں حد تک کم ہوئی اور مالی سال کی دوسری ششماہی کے دوران سنگل ڈیجیٹ تک آگئی۔ نتیجتاً اسٹیٹ بینک آف پاکستان کو پالیسی ریٹ کو 22 فیصد کی بلند ترین سطح سے کم کر کے 11 فیصد کرنے کی گنجائش ملی۔ بیرونی حسابات میں بھی بہتری آئی، ایک دہائی سے زائد عرصہ کے بعد حسابات جاریہ میں تقریباً 2.1 بلین ڈالر کا سرپلس ریکارڈ کیا گیا جسے مستحکم تر سیالات زر، درآمدی معقولیت اور مستحکم ایکس پیچ ریٹ سے سہارا ملا۔

مالی محاذ پر سال 2025 کے دوران جی ڈی پی میں 2.68 فیصد اضافہ ریکارڈ کیا گیا جو حکومت کے غیر پائیدار ترقی کی بجائے آئی ایم ایف پروگرام کے تحت مالی نظم و نسق کیلئے عزم کا عکاس ہے۔ تاہم اس استحکام کی قیمت سخت مالی اقدامات کی صورت میں چکانی پڑی جیسا کہ ٹیکسٹائل سیکٹر پر بہت زیادہ ٹیکس، سپر ٹیکس اور توانائی کے زیادہ ٹیرف نے صنعتی مسابقت پر نمایاں دباؤ ڈالا۔ نتیجتاً پاکستان ٹیکسٹائل کی برآمدات میں بہت کم اضافہ ہوا۔ عالمی طلب میں بتدریج بہتری کے باوجود برآمدی آمدن میں خاطر خواہ اضافہ نہیں ہوا۔ یہ ترقی اس سے قبل جمود کی نسبت قابل ذکر بہتری ہے لیکن ملک کی طویل مدتی صلاحیت سے کم ہے۔

2025 میں ابھرتا ہوا خطرہ امریکہ کی طرف سے دو طرفہ ٹیرف کا نفاذ ہے جس کے تحت پاکستان کی ایکسپورٹس خاص طور پر ٹیکسٹائل، ملبوسات اور سرجیکل آلات پر 19 فیصد یوٹی عائد کی گئی۔ اس سے برآمدی مسابقت، حسابات جاریہ اور ترقی کی مجموعی رفتار پر دباؤ پڑنے کا امکان ہے۔ امریکہ کی طرف سے بھارتی برآمدگان پر 50 فیصد ٹیرف پاکستان کیلئے بھارت سے منتقل ہونے والے چند آرڈر حاصل کرنے کا ایک موقع ہے جس سے جزوی طور پر منفی اثرات کم ہو سکتے ہیں۔

آگے بڑھتے ہوئے مستقبل کے بارے میں محتاط امید برقرار ہے، اگر آئی ایم ایف پروگرام جاری رہتا ہے، ریکوڈک جیسے منصوبوں پر توجہ اور سی بی بی کے آغاز سے سرمایہ کاری آئے گی اور ڈھانچے جاتی ترقی سے طویل مدتی ترقی کو سہارا ملے گا۔ اس کے علاوہ عالمی سوریٹنگ کی حرکیات میں تبدیلی خاص طور پر بنگلہ دیش (سیاہی تناؤ) اور سری لنکا (معاشی اور سیاسی بحران) جیسے سیاسی طور پر غیر مستحکم ملکوں سے ٹیکسٹائل سپلائی میں خلل پاکستان کیلئے اضافی آرڈر حاصل کرنے کا ایک موقع ہے۔ مذکورہ پیش رفتوں کے ساتھ پاکستان اس وقت بہتر پوزیشن میں ہے کہ وہ عظیم برآمدی تنوع، بہتر کارکردگی اور لاگت کے لحاظ سے مضبوط مسابقت سے فائدہ اٹھائے اور آنے والے سالوں میں پائیدار ترقی کیلئے بنیاد رکھے۔

کمپنی کی کارکردگی

مالی سال 2025 کے دوران کمپنی کی خاص فروخت گزشتہ سال کی فروخت جتنی ہی رہی جو مارکیٹ کی مشکل حرکیات کے باوجود ٹاپ لائن مصنوعات میں استحکام کا مظہر ہے۔ فروخت سے حاصل ہونے والی سالانہ آمدن 12.35 بلین روپے رہی جبکہ 2024 میں یہ آمدن 12.32 بلین روپے تھی۔ تاہم عالمی مارکیٹ میں انتہائی مسابقت اور آپریٹنگ کی بہت زیادہ لاگت کے باعث مجموعی منافع متاثر ہوا۔

کمپنی کا بعد از ٹیکس منافع 286.71 بلین روپے رہا جبکہ فی حصص آمدن 16.87 روپے رہی۔ سال کے دوران منافع دباؤ کا شکار رہا کیونکہ افرادی قوت کی لاگتوں، توانائی کی زیادہ قیمتیں، حکومت کی طرف سے امداد اور سبسڈی کا خاتمہ، زیادہ ٹیکسوں اور سخت عالمی مسابقت سمیت کاروبار کرنے کی بڑھتی ہوئی لاگت چند عوامل ہیں جو کم مارجن کا باعث بن رہے ہیں۔ اس کے علاوہ انڈسٹری کو سخت عالمی مسابقت کا سامنا جاری ہے جبکہ نئی افراط زر کے دباؤ نے کاروبار کرنے کی لاگت میں مزید دباؤ بڑھایا ہے۔ ان مشکلات کے باوجود کمپنی مثبت آمدن حاصل کرنے میں کامیاب رہی جو مشکل آپریٹنگ ماحول سے نبرد آزما ہونے کی کمپنی کی صلاحیت اور عزم کا مظہر ہے۔ کمپنی کے ڈائریکٹرز، انتظامی ٹیم، اسٹاف اور ورکرز کمپنی کے مالی نتائج کو بہتر بنانے کیلئے بہتر مارجن کے حامل درآمدی کاروبار حاصل کرنے کیلئے سخت کام کر رہے ہیں۔

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

روپے ہزار میں

	30 جون، 2025	30 جون، 2024
خالص تا فروخت	12,347,002	12,314,921
مجموعی منافع	1,158,059	1,232,108
ڈسٹری بیوٹن لاگت	499,565	345,925
انتظامی اخراجات	484,801	406,081
دیگر آپریٹنگ اخراجات	39,623	109,105
دیگر آمدنی	131,460	457,680
مالی لاگت	29,641	31,101
قبل از ٹیکس منافع	235,889	805,163
بعد از ٹیکس منافع	286,856	559,502
فی حصص آمدنی	16.87	32.91

چیئر 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 رکھنے 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، کیش فلوز، متعلقہ مالی معلومات اور رسک مینجمنٹ جیسے شعبوں پر باقاعدگی سے بورڈ کو رپورٹس اور تاثرات زہرین صورتحال فراہم کی جاتی ہیں۔

سال 2025 پاکستان کے میکرو اکنامک ماحول کی بحالی کے بتدریج اشارے دیکھنے کو ملے جسے مالی استحکام اور بہتر زری نظم نسق سے سہارا ملا۔ تاہم سخت زری اور مالی اقدامات کی قیمت معیشت میں ست روی کی شکل میں ادا کرنی پڑی۔ کاروباری اداروں کو توانائی کی بہت زیادہ لاگت، افرادی قوت کے زیادہ اخراجات، زیادہ ٹیکسوں کی صورت میں مسلسل مشکلات سامنا رہا جبکہ عالمی مسابقتی ماحول بھی کافی سخت رہا۔

ان دباؤ اور مشکلات کے باوجود کمپنی نے فروخت میں معمولی اضافہ حاصل کیا جو بورڈ آف ڈائریکٹرز اور انتظامی ٹیم کی مشکل حالات کے تحت پائیدار ترقی کیلئے ٹھوس کوششوں کا عکاس ہے عالمی سطح پر بہت زیادہ مسابقتی قیمتوں کو برقرار رکھنے کی ضرورت کی وجہ سے مارجن دباؤ کا شکار رہا۔ آگے بڑھتے ہوئے پاکستان سی پیک فیٹر 11 اور ریکوڈک جیسے منصوبوں اور نئی امریکی ٹیرف پالیسیوں کے تحت عالمی تجارتی بہاؤ میں تبدیلی سے پیدا ہونے والے ممکنہ برآمدی تنوع سے پاکستان کیلئے پرکشش مواقع ملیں گے۔ ان مواقع کے ساتھ کمپنی کو آئندہ سالوں میں بہتر کارکردگی اور پائیدار ترقی کی امید ہے۔

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 آپریٹنگ کو وسعت دے رہی ہے۔ کمپنی نے پیداواری صلاحیتوں میں اضافہ کیلئے پہلے خریدے گئے ٹیکسٹائل پلانٹ 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۔

ٹیکسٹائل 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۔ ہم دل کی گہرائیوں سے اپنے معزز اراکین کا اس سلسلے میں سمجھ بوجھ اور صبر کے لیے شکریہ ادا کرتے ہیں اور کمپنی میں ان کی مسلسل حمایت اور اعتماد کو نہایت قدر کی نگاہ سے دیکھتے ہیں۔

آخر میں، میں کمپنی کو ان مشکل وقتوں اور حالات سے نکالنے میں بورڈ آف ڈائریکٹرز کی سخت محنت اور عزم کیلئے ان کا شکریہ ادا کرنا چاہوں گی اور اپنی اور کمپنی کے تمام اراکین کی طرف سے ان کیلئے نیک تمناؤں کا اظہار کرتی ہوں۔

کراچی: 29 ستمبر، 2025

مہ جبین عبید

چیئر پرسن

TOWELLERS LIMITED

Form of Proxy

52nd 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 two Annual General Meeting of
the Company to be held on October 28th 2025, and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2025
Signed Proxy holder _____

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

2. _____

Folio / CDC Account No.

No of Shares held

Please affix have Revenue
Stamp of Rs. 10/=

Signature of Member

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.

میں / ہم _____ کا (کھل پتہ) _____ بحیثیت ہولڈرز لمیٹڈ کے ممبر / ممبران _____ حصص کے مالک / ہڈر ہیڈ ہڈا کا (کھل پتہ) _____ یا ان کی موجودگی کی صورت میں _____ کا (کھل پتہ) _____ جو کھلی کار کے ممبر / ممبرز بھی ہے اپنی 28 اکتوبر 2025 کو منعقد ہونے والے اور ہاپٹوی ہونے والے 52 واں کھلی کے سالانہ اجلاس عام میں میری / ہماری جانب سے ووٹ دینے کے لئے میری / ہماری پراکسی مقرر کرنا ہوں / کرتی ہوں / کرتے ہیں۔

ہیلور گواہ میں / ہم بروز _____ تاریخ _____ 2025 کو میرے / ہمارے ہاتھ سے مہر لگائی۔

مذکورہ کی جانب سے دستخط شدہ _____

مندرجہ ذیل گواہوں کی موجودگی میں _____

گواہ:

۱۔ دستخط _____ نام _____ پتہ: _____ پتہ: _____

۲۔ دستخط _____ نام _____ پتہ: _____ پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: _____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: _____

دستخط _____

فیلو اسی ڈی سی اکاؤنٹ نمبر _____

دستخط لکھنی کے رجسٹر میں درج شدہ نمونے کے دستخط کے مطابق ہونے چاہئیں۔

نوٹ:-

۱۔ یہ پراکسی فارم ہر طرح سے مکمل اور دستخط شدہ ملازما کھلی کے رجسٹر ڈائریکٹوریٹ W.S.A. 30/31, FEDERAL "B" AREA, BLOCK-1, KARACHI کے رجسٹرڈ آفس _____ سے وصول ہونا چاہئیں۔

۲۔ کسی فرد کو بطور پراکسی شرکت کی اجازت نہیں دی جائے گی تا وقتیکہ وہ کھلی کار کی ممبر نہ ہو، ہاں اسے یہ کہ کارپوریشن کسی ایسے فرد کا تقرر کر سکتی ہے جو ممبر نہ ہو۔

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

ہڈر نے ہسی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ ادارے _____ کے علاوہ مندرجہ ذیل شرائط بھی پوری کرنا ہوں گی:

۱۔ پراکسی فارم دوپہلو کی جانب سے گواہی کے ساتھ ہونا چاہیے جن کے نام "پتہ" اور سی این آئی سی نمبر فارم پر درج ہوں۔

۲۔ پتہ پیش اور زر کے سی این آئی سی یا پاسپورٹ کی تصدیق و توثیق پراکسی فارم کے ساتھ پیش کرنا ہوگی۔

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

۴۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد اور پاور آف اٹارنی من موند دستخط (اگر قبیلے فراہم نہیں کئے گئے) پراکسی فارم کے ساتھ جمع کرانے ہوں گے۔