

FORM-7

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Ref: PSX-01/2025-26
October 24, 2025

Subject: Financial Results for the period Ended September 30, 2025

Dear Sir,

We have to inform you that the Board of Directors of our company, in their meeting held on October 24, 2025 at 11:30 a.m., at 7-A, Muhammad Ali Society, Karachi recommended the following:

- | | |
|---|-----|
| i) <u>CASH DIVIDEND</u> | NIL |
| ii) <u>BONUS SHARES</u> | NIL |
| iii) <u>RIGHT SHARES</u> | NIL |
| iv) <u>ANY OTHER ENTITLEMENT/CORPORATE ACTION</u> | N/A |
| v) <u>ANY OTHER PRICE-SENSITIVE INFORMATION</u> | N/A |

The Financial results of the Company are enclosed.

The Financial Statements for the period ended September 30, 2025 will be transmitted through PUCARS separately, within the specified time.

For **GADOON TEXTILE MILLS LIMITED**

Chairman

CC: The Director / HOD (Enforcement)
Securities & Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue
Blue Area, Islamabad.

Head Office:

7A Muhammad Ali Housing Society,
Abdul Aziz Haji Hashim Tabba Street,
Karachi-75350, Pakistan.

T (92-21) 35205479-80

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Registered Office:

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T (92-938) 270212, 270213

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secretary@gadoontextile.com
www.gadoontextile.com

GADOON TEXTILE MILLS LIMITED
Condensed Interim Statement of Financial Position
As at September 30, 2025

| | | September 30, 2025 (Un-audited) ----- (Rupees in '000) ----- | June 30, 2025 (Audited) |
|--|------|---|-------------------------------|
| | Note | | |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 5 | 28,839,753 | 27,619,937 |
| Biological assets | | 564,425 | 563,983 |
| Long term loans | | - | 1,467 |
| Long term deposits | | 78,373 | 72,668 |
| Long term investments | 6 | 6,823,297 | 6,518,977 |
| | | <u>36,305,848</u> | <u>34,777,032</u> |
| Current Assets | | | |
| Stores, spares and loose tools | | 1,695,765 | 2,100,960 |
| Stock-in-trade | 7 | 26,034,255 | 26,212,864 |
| Trade debts | | 6,166,201 | 4,956,001 |
| Loans and advances | | 505,484 | 306,403 |
| Trade deposits and short term prepayments | | 61,041 | 61,948 |
| Other receivables | | 2,061,933 | 2,620,022 |
| Cash and bank balances | | 554,329 | 83,256 |
| | | <u>37,079,008</u> | <u>36,341,454</u> |
| TOTAL ASSETS | | <u>73,384,856</u> | <u>71,118,486</u> |
| EQUITY AND LIABILITIES | | | |
| Share Capital and Reserves | | | |
| Authorized | | | |
| 57,500,000 ordinary shares of Rs.10/- each | | <u>575,000</u> | <u>575,000</u> |
| Issued, subscribed and paid-up capital | | 280,296 | 280,296 |
| Capital reserves | | 16,637,541 | 16,637,541 |
| Reserves | | 7,554,340 | 6,993,069 |
| TOTAL EQUITY | | <u>24,472,177</u> | <u>23,910,906</u> |
| Non-Current Liabilities | | | |
| Long term finance | 8 | 3,636,373 | 3,638,198 |
| Deferred government grant | 9 | 98,480 | 107,509 |
| Retirement benefit obligation | | 1,302,360 | 1,272,354 |
| Deferred tax liabilities | | 680,833 | 743,934 |
| | | <u>5,718,046</u> | <u>5,761,995</u> |
| Current Liabilities | | | |
| Trade and other payables | | 13,048,038 | 12,939,736 |
| Unclaimed dividend | | 32,140 | 32,273 |
| Taxation- net | | 128,544 | 103,638 |
| Levies payable | | 395,177 | 383,967 |
| Current portion of long term finance | 8 | 765,594 | 729,389 |
| Current portion of deferred government grant | 9 | 26,304 | 27,650 |
| Accrued mark-up | | 568,294 | 540,843 |
| Short term borrowings | 10 | 28,230,542 | 26,688,089 |
| | | <u>43,194,633</u> | <u>41,445,585</u> |
| TOTAL LIABILITIES | | <u>48,912,679</u> | <u>47,207,580</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>73,384,856</u> | <u>71,118,486</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 11 | | |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Any



Chairman

Chief Executive Officer

Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-audited)
For the First Quarter Ended September 30, 2025

| | | Quarter Ended | |
|------|---|-----------------------------|-----------------------|
| | | September 30, 2025 | September 30, 2024 |
| Note | | ----- (Rupees in '000)----- | |
| | Sales - net | 19,727,949 | 18,188,720 |
| | Cost of sales | (18,246,596) | (16,622,298) |
| | Gross profit | 1,481,353 | 1,566,422 |
| | Distribution cost | (278,726) | (211,793) |
| | Administrative expenses | (172,113) | (141,667) |
| | | (450,839) | (353,460) |
| | | 1,030,514 | 1,212,962 |
| | Finance cost | (729,347) | (717,846) |
| | Other operating expenses | (59,375) | (82,033) |
| | | 241,792 | 413,083 |
| | Other income | 135,529 | 115,745 |
| | Share of profit from associates | 304,319 | 321,432 |
| | Profit before revenue taxes and income tax | 681,640 | 850,260 |
| | Revenue taxes | (182,376) | (228,995) |
| | Profit before income tax | 499,264 | 621,265 |
| | Taxation - net | 62,007 | (37,337) |
| | Profit for the period | 561,271 | 583,928 |
| | Earnings per share - basic and diluted (Rupees) | 20.02 | 20.83 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive Officer

Chief Financial Officer



Condensed Interim Statement of Cash Flows (Un-audited)
For the First Quarter Ended September 30, 2025

| | | Quarter Ended | |
|--|----|-----------------------------|-----------------------|
| | | September 30, 2025 | September 30, 2024 |
| Note | | ------(Rupees in '000)----- | |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| | 14 | 1,672,470 | 8,168,929 |
| | | (91,671) | (63,364) |
| | | (147,354) | (275,395) |
| | | (701,896) | (911,332) |
| | | (940,921) | (1,250,091) |
| | | 731,549 | 6,918,838 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| | | (1,856,489) | (467,407) |
| | | 27,313 | 18,388 |
| | | 6,902 | 18,949 |
| | | (3,737) | (2,814) |
| | | (5,705) | 535 |
| | | - | 305,683 |
| | | - | 4,722 |
| | | 4,915 | 16,444 |
| | | (1,826,801) | (105,500) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| | | 242,208 | - |
| | | (165,246) | (172,744) |
| | | - | (1,800,000) |
| | | (48,289) | (31,555) |
| | | (4,668) | - |
| | | 2,507,575 | - |
| | | (738,714) | 1,635,777 |
| | | 1,498,539 | (2,047,761) |
| | | (133) | (1) |
| | | 3,291,272 | (2,416,284) |
| | | 2,196,020 | 4,397,054 |
| | | (17,992,502) | (9,165,670) |
| | | (15,796,482) | (4,768,616) |
| CASH AND CASH EQUIVALENTS | | | |
| | | 554,329 | 278,953 |
| | | (16,350,811) | (5,047,569) |
| | | (15,796,482) | (4,768,616) |

| | july 01, 2025 | Financing cash inflows | Financing cash outflows | Non-cash changes | September 30, 2025 |
|----------------------------------|---------------|------------------------|-------------------------|------------------|--------------------|
| Loan from financial institutions | 4,502,746 | 242,208 | (218,203) | - | 4,526,751 |
| Unclaimed dividend | 32,273 | - | (133) | - | 32,140 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive Officer

Chief Financial Officer



Condensed Interim Statement of Comprehensive Income (Un-audited)
For the First Quarter Ended September 30, 2025

| | Quarter Ended | |
|---|-----------------------------|--------------------|
| | September 30, 2025 | September 30, 2024 |
| | ------(Rupees in '000)----- | |
| Profit for the period | 561,271 | 583,928 |
| Other comprehensive income | - | - |
| Total comprehensive income for the period | 561,271 | 583,928 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive Officer

Chief Financial Officer



Condensed Interim Statement of Changes In Equity (Un-audited)
For the First Quarter Ended September 30, 2025

| | | -----Capital Reserves----- | | | | -----Revenue Reserves ----- | | | | |
|---|---|----------------------------|-------------------------|---|---------------|-----------------------------|-------------------------|--------------------------|---------------|----------------|
| | Issued, subscribed and paid-up share capital | Share premium | Amalgamation reserve | Against long term investment, Capacity Expansion & BMR | Sub- total | General reserve | Amalgamation reserve | Unappropriated profit | Sub- total | Grand total |
| | ----- Rupees in '000 ----- | | | | | | | | | |
| Balance as at July 1, 2024 | 280,296 | 103,125 | 34,416 | 16,500,000 | 16,637,541 | 1,000,000 | 727,333 | 2,853,128 | 4,580,461 | 21,498,298 |
| Total comprehensive income for the period | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 583,928 | 583,928 | 583,928 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | - | 583,928 | 583,928 | 583,928 |
| Balance as at September 30, 2024 | 280,296 | 103,125 | 34,416 | 16,500,000 | 16,637,541 | 1,000,000 | 727,333 | 3,437,056 | 5,164,389 | 22,082,226 |
| Balance as at July 01, 2025 | 280,296 | 103,125 | 34,416 | 16,500,000 | 16,637,541 | 1,000,000 | 727,333 | 5,265,736 | 6,993,069 | 23,910,906 |
| Profit for the period | | | | | | | | | | |
| Total comprehensive income for the period | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 561,271 | 561,271 | 561,271 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | - | 561,271 | 561,271 | 561,271 |
| Balance as at September 30, 2025 | 280,296 | 103,125 | 34,416 | 16,500,000 | 16,637,541 | 1,000,000 | 727,333 | 5,827,007 | 7,554,340 | 24,472,177 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive Officer

Chief Financial Officer





Directors' Report to the Members

Dear Members

The Directors of your Company are pleased to present the performance review and the unaudited financial statements for the first quarter ended September 30, 2025.

Overview

The Company concluded first quarter of the FY-2026 with steady growth in its topline by 8.46% which increased to Rs. 19.72 billion, compared to Rs. 18.18 billion for the same period last year (SPLY). However, the gross margins during the period, remained under pressure on account of increased conversion costs coupled with the pressure on yarn sales price owing to the availability of imported yarn, resulting in a bottom line of Rs. 561.27 million, as compared to Rs. 583.92 million in SPLY.

Economic Prospects

The first quarter of the fiscal year 2026 (FY26) was characterized by continued economic stabilization efforts, steered by fiscal discipline and external stability underpinned by the ongoing IMF program and support from multilateral and bilateral partners. External buffers improved, inflation remained relatively moderate despite the losses caused by recent floods. On the other hand, the current account remained under pressure primarily due to rising imports. Despite the rebound in imports, the foreign exchange reserves remained stable due to robust remittances from expatriates.

During the period, import bills increased by 13.49 % to USD 16.97 billion, compared to USD 14.95 billion in SPLY. The country's exports, on the other hand, witnessed a decline of 3.83% to USD 7.603 billion, compared to USD 7.906 billion in SPLY. Remittances surged by 8.68% to USD 9.535 billion compared to USD 8.8 billion SPLY, substantially supporting the current account and the foreign exchange reserves.

During the period, the State Bank of Pakistan ("SBP") decided to keep the policy rate unchanged at 11%, reflecting caution over near-term inflation outlook due to widespread disruptions caused by recent floods.

A positive development for the textile industry and the overall economy is the domestic cotton arrivals have been significantly higher compared to SPLY and according to the latest publication of the Pakistan Cotton Ginners Association (PCGA), 3.04 million bales had reached ginning factories across the country Compared to 2.04 million bales SPLY.

Head Office:

7A Muhammad Ali Housing Society,
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Karachi-75350, Pakistan.
T (92-21) 35205479-80
F (92-21) 34382436

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T (92-938) 270212, 270213
F (92-938) 270311

Financial Performance

A comparison of the key financial results of the Company for the three-months ended September 30, 2025, is as follows:

| Profit and loss summary | September 30, 2025 | September 30, 2024 | Favorable / (Unfavorable) |
|--------------------------|-----------------------|-----------------------|------------------------------|
| | Rupees '000 | | Percentage |
| Sales (net) | 19,727,949 | 18,188,720 | 8.46 |
| Gross Profit | 1,481,353 | 1,566,819 | (5.45) |
| Distribution Cost | 278,726 | 211,793 | (31.60) |
| Administrative Expenses | 172,113 | 142,063 | (21.15) |
| Other Operating Expenses | 59,375 | 82,033 | 27.62 |
| Finance Cost | 729,347 | 717,846 | (1.60) |
| Other Income | 439,848 | 437,177 | 0.61 |
| Profit Before Taxation | 681,640 | 850,261 | (19.83) |
| Profit After Taxation | 561,271 | 583,928 | (3.88) |
| Earnings Per Share (Rs.) | 20.02 | 20.83 | |

- During the period, the overall sales witnessed an increase however, yarn prices remained under pressure compared to the SPLY on account of factors mentioned above.
- Despite escalating conversion costs, particularly in energy, the Company managed to minimize its impact on the gross margins, though it is lower than last year.
- The rise in Distribution costs is primarily attributed to the increase in overall volumes and increase in logistic charges. The increase in administrative expenses was primarily due to inflationary impact.
- Finance costs slightly increased by 1.60% to Rs. 729.36 million, from Rs. 717.84 million in the SPLY, due to increased working capital requirements.

Segmental Review of Business Performance

During the period, cotton prices declined, leading to a corresponding reduction in yarn prices; however, the decline in yarn prices was more than cotton, which led to an adverse impact on gross margin. The spinning segment achieved higher sales volume, driven through improved market penetration and by diverse product mix.

The sales of knitted bedding products, increased both in terms of volume and prices, driven by the management's efforts to expand its customer base and market footprint. An overview of the business performance across segments is detailed in the operating segment note of the financial statements.

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Corporate Social Responsibility ("CSR")

The Company's Corporate Social Responsibility (CSR) strategy reflects a deep commitment to sustainable development, ethical business conduct, and social welfare. The Company supports various community programs focusing on education, healthcare, women's empowerment, and skill development. Employee volunteerism is actively encouraged, creating a culture of social responsibility within the workforce.

During the period, as part of our continued commitment to supporting the healthcare sector, the Company collaborated with the ChildLife Foundation and engaged our Summer Internship Batch as volunteers. The experience of spending time with young patients and witnessing their strength and resilience firsthand served as a profound reminder of the power of empathy, compassion, and community-driven care.

Furthermore, the Company undertook a large-scale tree plantation drive in the KPK-Amazai area in collaboration with the local government authorities. The initiative aimed to support national reforestation goals, enhance biodiversity, and combat the adverse impacts of climate change. Under this program, a significant number of tree species were planted to prevent soil erosion and improve air quality in the region. The project also engaged local communities to ensure long-term care and sustainability of the plantations, reflecting our commitment to environmental stewardship.

Training & Development

At GTML, we believe that continuous learning and professional development are vital to organizational growth and individual success. Our Training & Development initiatives are designed to equip employees with the skills, knowledge, and mindset needed to excel in an evolving business environment.

During the period, the Company organized a diverse range of learning sessions through Learning Cafe, a unique initiative designed to empower our leaders and spread knowledge across all levels. Under this initiative, the management arranged specialized training sessions including AI (Power of LLM), Reaction vs. Response, Sustainability (The Only Way Forward), and Head Says Yes, Heart Says No. These sessions offered employees valuable insights into emerging technologies, emotional intelligence, and sustainable leadership practices.

Furthermore, a series of Health, Safety, and Environment (HSE) trainings were conducted to reinforce our commitment to workplace safety and employee well-being. Through these initiatives, the Company continues to cultivate a culture of continuous improvement, empowering employees to adapt, lead, and contribute meaningfully in the long run.

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Future Outlook

The Pakistan economy, in the midst of the recent floods, is likely to face negative impacts on economic growth, inflation, and current account; though, the extent of these effects remains uncertain. That being said, due to favorable overall macroeconomic conditions and stabilization efforts under the ongoing IMF programs, the long-term economic outlook is projected to remain stable.

Global rating agencies S&P and Moody's have upgraded Pakistan's sovereign credit ratings with stable outlook, acknowledging growing confidence in the Country's efforts to reduce fiscal deficits and significant progress on reforms for macroeconomic stability.

The recent tariff concession negotiations with the U.S., present a promising opportunity for the Country's textile industry to enhance its competitiveness in the U.S. market. However, exporters may face increased competition in the European markets due to higher tariffs on US exports from regional competitors. Additionally, the withdrawal of zero-rating on yarn imports through amendments to the Export Facilitation Scheme (EFS) marks a significant step toward supporting domestic spinning units. Despite these opportunities, the industry continues to face significant challenges due to rising cost(s) of doing business in Pakistan including energy costs, volatile cotton yields, delayed tax refund and intense regional competition. Addressing these challenges is crucial to fully capitalize on opportunities for both domestic and export-led growth.

The Company remains committed to maintaining a proactive approach, driving growth through improved operational efficiency, embedding sustainable practices, maximum capacity utilization, expanding value-added segments and renewable energy integration. It will also adjust the product mix and optimize cost structure to align with shifting market dynamics and position itself to continue creating significant value addition for the stakeholders and preserve profitability.

Composition of Board

Resignation and Appointment of Director:

On September 15, 2025, Ms. Zulekha Tabba Maskatiya had tendered her resignation as a Non-Executive Director of the Company, which was accepted by the Board of Directors. The casual vacancy was filled by the Board of Directors by appointing Ms. Fauzia Hasnain as an Independent Director to hold office of director w.e.f., September 15, 2025.

The Board of Directors express their appreciation for the valuable contribution by Ms. Zulekha Tabba Maskatiya during her association with the Company.

The total number of Directors is eight including the Chief Executive as a deemed Director as per the following:

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| | |
|----------------------------|----|
| Total number of directors: | |
| a) Male | 07 |
| b) Female | 01 |

The composition of the Board is as follows:

| Particulars | No. | Name of Directors |
|----------------------------------|-----|--|
| a) Independent Directors | 03 | Syed Muhammad Shabbar Zaidi Mr. Moin M. Fudda Ms. Fauzia Hasnain |
| b) Executive Director | 01 | Mr. Muhammad Sohail Tabba |
| c) Other Non-Executive Directors | 04 | Mr. Muhammad Ali Tabba Mr. Jawed Yunus Tabba Mr. Muhammad Hassan Tabba Mr. Ibrahim Sohail Tabba |

Further, there is no change in the remuneration policy of non-executive directors as disclosed in the Annual Report 2025.

Acknowledgments

The Directors record their appreciation of the performance of the Company's workers, staff, and executives.

For and on behalf of the Board

Chairman / Director

Karachi: October 24, 2025

Chief Executive Officer

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