

FORM-7

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

Ref: PSX-01/2026-27
October 29, 2026

Subject: Financial Results for the period Ended September 30, 2026

Dear Sir,

We have to inform you that the Board of Directors of our company, in their meeting held on October 29, 2026 at 11:45 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, 2026 will be transmitted through PUCARS separately, within the specified time.

For **GADOON TEXTILE MILLS LIMITED**


Chairman / Director

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

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GADOON TEXTILE MILLS LIMITED
Condensed Interim Statement of Financial Position
As at September 30, 2026

		September 30, 2026 (Un-audited)	June 30, 2026 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	31,880,826	30,908,796
Biological assets		640,731	626,187
Long term loans		19,509	8,885
Long term deposits		72,010	72,032
Long term investments	6	6,988,019	6,930,508
		<u>39,601,095</u>	<u>38,546,408</u>
Current Assets			
Stores, spares and loose tools		1,918,717	1,988,684
Stock-in-trade	7	24,303,744	22,192,825
Trade debts		9,044,857	6,477,435
Loans and advances		173,182	215,832
Trade deposits and short term prepayments		50,502	50,298
Other receivables		1,904,583	1,904,254
Taxation-net		744,948	841,895
Cash and bank balances		523,117	503,750
		<u>38,663,650</u>	<u>34,174,973</u>
TOTAL ASSETS		<u>78,264,745</u>	<u>72,721,381</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized		575,000	575,000
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
Revenue Reserves		10,814,719	9,813,968
TOTAL EQUITY		<u>27,732,556</u>	<u>26,731,805</u>
Non-Current Liabilities			
Long term finance	8	4,409,839	4,442,103
Deferred government grant	9	66,799	74,366
Retirement benefit obligation		1,193,334	1,149,841
Infrastructure Cess		673,780	1,057,533
Deferred tax liabilities		1,287,263	1,091,113
		<u>7,631,015</u>	<u>7,814,956</u>
Current Liabilities			
Trade and other payables		13,425,121	14,153,666
Unclaimed dividend		31,953	31,987
Levies payable		100,423	145,844
Current portion of long term finance	8	770,891	759,924
Current portion of deferred government grant	9	20,682	22,143
Current portion of Infrastructure Cess		852,678	426,339
Short term borrowings	10	27,067,443	22,168,170
Accrued mark up		631,983	466,547
		<u>42,901,174</u>	<u>38,174,620</u>
TOTAL LIABILITIES		<u>50,532,189</u>	<u>45,989,576</u>
TOTAL EQUITY AND LIABILITIES		<u>78,264,745</u>	<u>72,721,381</u>
CONTINGENCIES AND COMMITMENTS			

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

Chairman/Director

Chief Executive Officer

Chief Financial Officer



Condensed Interim Statement of Profit or Loss (Un-audited)
For the First Quarter Ended September 30, 2026

	Note	Quarter Ended	
		September 30, 2026	September 30, 2025
		----- (Rupees in '000)-----	
Sales - net		22,250,290	19,727,949
Cost of sales	12	(19,532,779)	(18,246,596)
Gross profit		2,717,511	1,481,353
Distribution cost		(328,485)	(278,726)
Administrative expenses		(181,402)	(172,113)
		(509,887)	(450,839)
		2,207,624	1,030,514
Finance cost		(718,663)	(729,347)
Other operating expenses		(121,672)	(59,375)
		1,367,289	241,792
Other income		164,209	135,529
Unwinding of Infrastructure Cess		(42,586)	-
Share of profit from associates		256,205	304,319
Profit before revenue taxes and income tax		1,745,117	681,640
Revenue taxes		(280,323)	(182,376)
Profit before income tax		1,464,794	499,264
Taxation - net	13	(323,895)	62,007
Profit for the period		1,140,899	561,271
Earnings per share - basic and diluted (Rupees)		40.70	20.02

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


Chairman/Director


Chief Executive Officer


Chief Financial Officer



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**Condensed Interim Statement of Cash Flows (Un-audited)
For the First Quarter Ended September 30, 2026**

		Quarter Ended	
		September 30, 2026	September 30, 2025
Note		------(Rupees in '000)-----	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	14	(3,131,568)	1,672,470
Retirement benefits paid		(67,470)	(91,671)
Income taxes paid		(356,542)	(147,354)
Finance cost paid		(553,227)	(701,896)
		(977,239)	(940,921)
Net cash (used in) / generated from operating activities		(4,108,807)	731,549
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(971,404)	(1,856,489)
Sale proceeds from disposal of property, plant and equipment		27,763	27,313
Sale proceeds from disposal of biological asset		14,663	6,902
Loans (paid to) / repaid by employees - net		(16,361)	(3,737)
Long term deposits received / (placed)		22	(5,705)
Dividend received		198,694	-
Profit received from bank deposits and short term investments		5,883	4,915
Net cash used in investing activities		(740,740)	(1,826,801)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance obtained		213,884	242,208
Repayment of long term finance		(167,889)	(165,246)
Repayment of temporary economic refinance facility		(49,138)	(48,289)
Repayment of renewable energy financing		(27,182)	(4,668)
Export loan -net		1,005,303	2,507,575
Export refinance - net		(795,318)	(738,714)
Import loan - net		1,617,515	1,498,539
Dividend Paid		(34)	(133)
Net cash generated from financing activities		1,797,141	3,291,272
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(3,052,406)	2,196,020
Cash and cash equivalents at the beginning of the period		(11,045,883)	(17,992,502)
Cash and cash equivalents at the end of the period		(14,098,289)	(15,796,482)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		523,117	554,329
Short term borrowings excluding export refinance, import loan & export loan		(14,621,406)	(16,350,811)
		(14,098,289)	(15,796,482)

CHANGES ARISING FROM FINANCING ACTIVITIES

	July 01, 2026	Financing cash inflows	Financing cash outflows	Non-cash changes	September 30, 2026
Loan from financial institutions	5,298,536	213,884	(244,209)	-	5,268,211
Unclaimed dividend	31,987	-	(34)	-	31,953

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

Chairman/Director

Chief Executive Officer

Chief Financial Officer



Condensed Interim Statement of Changes In Equity (Un-audited)
For the First Quarter Ended September 30, 2026

	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 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
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
Balance as at July 01, 2026	280,296	103,125	34,416	16,500,000	16,637,541	1,000,000	727,333	8,086,635	9,813,968	26,731,805
Transaction with owners										
Final dividend @ Rs. 5/- per share for the year ended June 30, 2026	-	-	-	-	-	-	-	(140,148)	(140,148)	(140,148)
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	1,140,899	1,140,899	1,140,899
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	1,140,899	1,140,899	1,140,899
Balance as at September 30, 2026	280,296	103,125	34,416	16,500,000	16,637,541	1,000,000	727,333	9,087,386	10,814,719	27,732,556

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

Chairman /Director

Chief Executive Officer

Chief Financial Officer



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Directors' Report to the Members

Dear Members

The Directors of your Company are pleased to present their review of the Company's performance and the unaudited condensed interim financial statements for the quarter ended September 30, 2026.

Overview

The first quarter of FY-2027 was marked by a notable improvement in performance, with the Company delivering strong financial results. Net sales grew by 12.79% to Rs. 22.25 billion, compared with Rs. 19.72 billion in the same period last year (SPLY). Gross margins improved sharply to 12.21% from 7.51%, reflecting the Company's continued focus on energy efficiency, stronger operational discipline and the benefit of the reduction in gas levy. Consequently, the Company achieved bottom line of Rs. 1,140 million, compared with Rs. 583.92 million in SPLY.

Economic Prospects

The period was defined by the consolidation of macroeconomic stability in Pakistan, supported by rigorous adherence to IMF-mandated structural reforms. Although global economic volatility and prolonged geopolitical conflicts generated external headwinds that added to domestic inflation, key macroeconomic indicators remained resilient. Furthermore, the successful conclusion of the staff-level agreement with the IMF served as an important anchor for economic and investor sentiment.

During the quarter, the external account came under renewed pressure, with the current account recording a cumulative deficit of USD 874 million. The trade deficit widened to approximately USD 10.77 billion as imports increased by 13.20% to USD 19.21 billion, outpacing export growth of 10.84% to USD 8.42 billion. Workers' remittances, however, increased by approximately 13% to USD 10.87 billion, providing an important cushion against external financing pressures. Foreign exchange reserves also strengthened, with gross reserves reaching approximately USD 21.5 billion by the end of the period, thereby enhancing the country's external liquidity and market confidence.

During the period, inflationary pressures persisted amid higher energy and supply-chain costs. To contain these pressures and safeguard the progress achieved on macroeconomic stability, the State Bank of Pakistan raised its policy rate by 50 basis points to 12%.

The domestic cotton sector recorded a modest improvement, with arrivals reaching 4.08 million bales by October 15, 2026, compared with 3.79 million bales in the corresponding period last year, representing growth of 7.53%. However, this growth remains exposed to downside risks

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from volatile weather patterns, pest infestations and quality concerns. As domestic cotton production continues to fall short of the textile sector's aggregate demand, the industry's continued reliance on imported cotton is expected to escalate raw material costs which is likely to compress margins within the spinning segment and present competitive challenges across Pakistan's broader textile value chain.

Financial Performance

A comparison of the key financial results of the Company for the three-months ended September 30, 2026, is as follows:

Profit and loss summary	September 30, 2026	September 30, 2025	Favorable / (Unfavorable)
	Rupees '000		Percentage
Sales (net)	22,250,290	19,727,949	12.79
Gross Profit	2,717,511	1,481,353	83.45
Distribution Cost	328,485	278,726	(17.85)
Administrative Expenses	181,402	172,113	(5.40)
Other Operating Expenses	121,672	59,375	(104.92)
Finance Cost	718,663	729,347	1.46
Other Income	377,828	439,848	(14.10)
Profit Before Taxation	1,745,117	681,640	156.02
Profit After Taxation	1,140,899	561,271	103.27
Earnings Per Share (Rs.)	40.70	20.02	

- During the period, the overall yarn sales increased by 10.28% compared to the SPLY primarily driven by change in product mix and improved market demand. The sales of knitted bedding products remain steady, contributing substantially in the overall topline.
- Gross margins improved significantly on account of better utilization of energy mix, including, grid and renewable energy, reduction in gas levy and optimized product mix.
- The rise in Distribution costs is primarily attributed to the increase in exports, rising fuel cost and logistic charges. The increase in administrative expenses was primarily due to inflationary impact.
- Despite higher working capital requirements and ongoing capital investment in renewable energy and energy-efficient machinery, finance costs remained broadly stable owing to an optimized blend of local and foreign currency financing alongwith the benefit of lower rates under Export Refinance Scheme.

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Segmental Review of Business Performance

During the period, rising cotton prices paralleled to corresponding increase in yarn prices. Capitalizing on this momentum, the spinning segment secured higher sales volumes by leveraging a diversified product mix, expanding local market share, and capturing a modest recovery in export demand.

The sales of knitted bedding products recorded higher volumes driven by the management's efforts to expand Company's market footprint. However, margins were slightly affected due to increase in conversion overheads. An overview of the business performance across segments is detailed in the operating segment note of the financial statements.

Corporate Social Responsibility ("CSR")

The Company continues to integrate sustainability into its operations through initiatives that support environmental sustainability, employee well-being and community health.

During the period, the Company organized a tree plantation drive in the Gadoon Economic Zone under the Monsoon Plantation Drive 2026, promoting environmental conservation and contributing to a greener and more sustainable industrial environment. At the Karachi Plant, a team from reputable medical practitioner conducted an awareness session on postural correction, highlighting the importance of maintaining proper posture to prevent musculoskeletal discomfort, reduce the risk of back and neck pain, and support long-term physical well-being. The Company also observed World Heart Day by arranging an awareness session at its Head Office to educate employees about cardiovascular health, heart disease prevention and the importance of adopting healthy lifestyle practices. Additionally, a blood donation drive was also organized, encouraging voluntary blood donation and helping support the availability of essential blood supplies for patients requiring life-saving medical treatment.

Through these initiatives, the Company reinforces its role as a responsible corporate citizen by advancing environmental care, promoting preventive healthcare and encouraging employee participation in activities that deliver positive and lasting benefits to the wider community.

Training & Development

At GTML, employee development remains an integral part of strengthening organizational capabilities, enhancing professional competence and fostering a culture of continuous learning.

During the period, employees attended programs on AI and leadership, personal effectiveness, workplace communication, time management, and high-performance teams, along with an International Arbitration Summer School, a workplace harassment session with PICG, and a Women Chamber of Commerce event on women's economic empowerment.

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Through these learning and development activities, GTML continues to promote a skilled, adaptable and future-ready workforce while encouraging leadership excellence, effective communication, professional integrity and inclusive growth across the organization.

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.

Future Outlook

The Country's macroeconomic fundamentals such as foreign exchange reserves, sustained remittances and continued reform under the IMF program remains encouraging. However, heightened uncertainty stemming from the volatile geopolitical situation poses downside risks as it could disrupt supply chains, trade routes, and energy markets. Navigating these domestic and global challenges require a coordinated policy response, fiscal discipline, broadening of the tax base and proactive export facilitation.

As for the Country's textile and spinning sector, despite a marginal recovery in local cotton arrivals, the spinning industry's margins are expected to remain compressed by high energy tariffs, regional competition and raw material price volatility. Rising global shipping costs and logistical disruptions are adding to the sector's operational challenges, while increased sustainability requirements are necessitating additional investment in cleaner technologies and resource-efficient production processes. These cost pressures are further compounded by high financing cost and delayed tax refunds that restrict corporate liquidity. Addressing these challenges requires growth-supportive fiscal policies to safeguard the global competitiveness of Pakistan's textile value chain.

The Company remains focused on enhancing operational efficiency through cost optimization, optimal capacity utilization and disciplined working capital management. Strategically, it continues to expand into value-added segments, target untapped markets and refine its sales mix to strengthen profitability and deliver sustainable long-term value to shareholders.

Composition of Board

The Board comprises eight Directors, including the Chief Executive Officer as a deemed Director, as follows:

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

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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 2026.

Acknowledgments

The Board places on record its sincere appreciation for the dedication, hard work and commitment of the Company's workers, staff and executives. The Board also extends its gratitude to the Company's valued customers, suppliers, bankers, shareholders and regulatory authorities for their continued trust and support.



Chairman / Director

For and on behalf of the Board



Chief Executive

Karachi: October 29, 2026