

KONNECT

VOL. VII

APR-SEP '20

Meet the Team

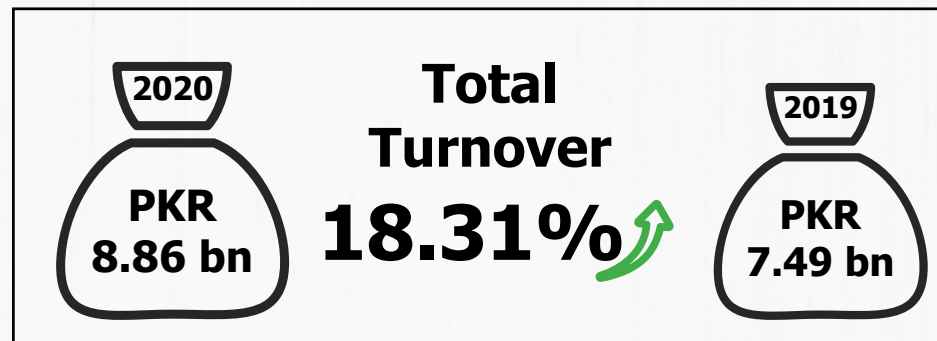
Muhammad Imran Moten
Finisher

Muhammad Umair
Shaper

Maha Kalam
Implementer

Financials

- Ali Saleem



The management takes pleasure in presenting before you the performance review for the first quarter ended September 30, 2020.

The gross profit margins have reduced, mainly on account of deceleration in the sale price of yarn owing to the COVID-19 pandemic.

Owing to ease in lockdown scenario, post COVID-19 pandemic, the Pakistan Economy has again started moving towards stability, and accordingly, macroeconomic indicators are comparatively posing a positive image with the declining exchange rates, stable interest rate, and increasing foreign exchange reserves.

An increase has been witnessed in the export sales of the knitting segment, which is specifically catering to the increased global demand for textile products in the medical field, with an increase of 72.46% in the export sales as compared to SPLY.

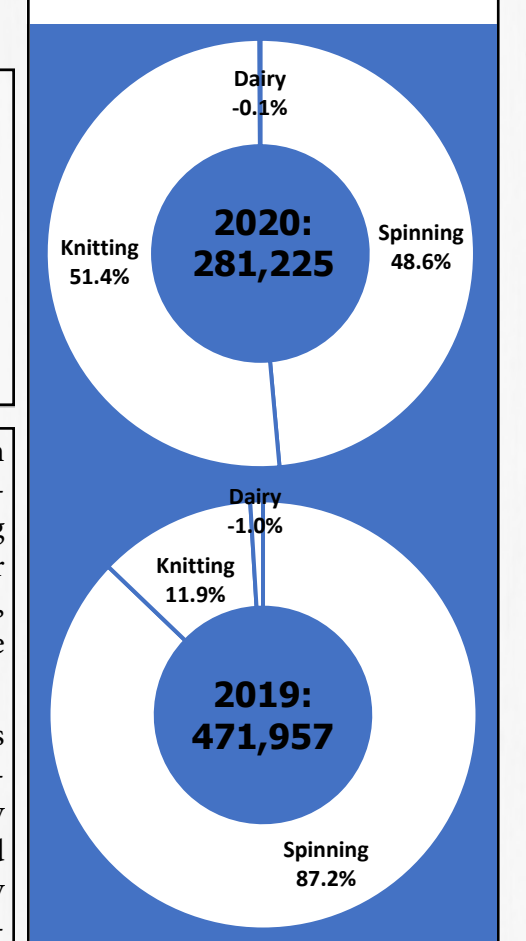
Further, a significant increase has also been witnessed in overall local sales, which has increased by 52.94% in this period as compared to SPLY, mainly as the Company is capitalizing the additional demand of the value-added sector.

However, the decreasing gross margins and returns from strategic investments were supported to some extent by the decrease in finance cost by 36.23%, mainly as a result of a decrease in KIBOR from 13.25% (applicable in SPLY) as compared to 7% (applicable for this period); despite the fact that owing to the COVID-19 pandemic, the Company's working capital requirements has been increased as compared to SPLY.

Future Outlook

The recent increase in international prices of cotton will help the Company to take benefit of the increased sale price of yarn with sufficient inventory in hand. However, owing to the recently announced SRO by FBR for the removal of Custom duty on

Profit Before Tax



import of synthetic yarn, Company may face competition in selling the synthetic yarn in the local market.

Further, the management of the Company has always placed strong efforts to sustain its cost through maximum capacity utilization, cost rationalization, effective procurement strategy, etc. In addition, the sales mix will be altered based on a demand/supply basis to enhance the profit margins.

With the knitting segment's new site now being operational, the management anticipates that the performance of the knitting segment will increase further, and this will help Company to generate positive returns and cash flows.

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"GTML feels like my second home, and nobody wishes to abandon their home."
- Mr. Nadeem Riaz
(Contd. on pg. 5)

On account of the 73rd Independence Day of Pakistan, despite the gloomy situation due to the pandemic, we at GTML celebrated 14th August with high spirits.
(Contd. on pg. 3)



Ratio Analysis

GP to Sales		<i>in %</i>
2020	5.14	
2019	10.23	
PAT to Sales		<i>in %</i>
2020	2.17	
2019	4.88	
Current Ratio		<i>in times</i>
2020	1.07	
2019	1.03	
Operating Cycle		<i>in days</i>
2020	110	
2019	106	

Dear All,

We're back again with a fresh copy of GTML's newsletter, Konnect vol. VII, with the intent to stay connected with the Gadoon family. This edition would give you a quick glimpse, stirring up courage within you.

We're always on the lookout for ways to improve our newsletter, and your feedback would contribute to that cause. For your convenience, a feedback form is included in the newsletter towards the end. We request you to kindly take some time and share your thoughts with us.

In the end, I'm deeply grateful to each individual that took part in the publication of Konnect vol. VII.

Independence Day Celebrations

On account of the 73rd Independence Day of Pakistan, despite the gloomy situation due to the pandemic, we at GTML celebrated 14th August with high spirits. All the Head Office employees connected on a single platform through a zoom session. A short program was organized, where the enthusiastic participants and the short speeches by our seniors uplifted the mood. Another celebratory event was organized at the Karachi Project factory. The pleasant weather and the strong winds, along with the national songs playing in the background, contributed to pump up the adrenaline of each attendee. A cake-cutting ceremony, followed by a flag hoisting ceremony, concluded the day.



Success Story: Mr. Nadeem Riaz

GTML feels like my second home, and nobody wishes to abandon their home.



Tell us about your journey from your entry position at GTML to your current position.

My journey from Deputy General Manager to General Manager and then to my current position of Technical Director can be defined as a story of persistent struggle and unflinching resolve to overcome challenges. When I joined GTML in 2003, I felt challenged by the responsibilities entrusted to me, but I was motivated by Mr. Azam Akbar (late), former Executive Director, who gave me confidence and guided me to overcome the challenges that came my way. After that, I felt myself at home at GTML, as all these years, I religiously followed the principles of hard work, honesty, and loyalty with owners of our business group.

What were some of the struggles and motivations that you faced during your career at GTML?

As already mentioned, I had a tough start at GTML, but my seniors' continuous support enabled me to become a Technical Director eventually. My highest achievement came my way when I was elevated to the position of Technical Director in 2008. When I look back to my entry into the job, when I felt diffident about my skills and talent, and compare it with my current accomplishments, I come to the conclusion that Allah Almighty paid me back for my hard work and honesty.

Ever thought of quitting the company? If yes, then what made you stay?

I never thought of quitting GTML due to its illustrious business profile and employee-friendly policies of the management.

The work environment, the management style of our organization, and the liberty given to managers in our organization, always motivated me to continue my relationship with GTML.

What was your biggest challenge, and how did you overcome it?

In 2007, an additional unit was handed over to me. It was a great challenge for me to run this unit to its optimum capacity. Thanks to Allah, I was able to attain

Tell us about your educational journey.

I did my matriculation from Govt. Abbasia Higher Secondary School, Bahawalpur in 1984, and then attended the prestigious Govt. Sadiq Egerton College, Bahawalpur for my FSc and BSc in 1986 and 1989, respectively. In 1994, I graduated with a degree in BS Textile Engineering from National Textile University (formerly known as National College of Textile Engineering).

What and where was your first job?

I started my professional journey as an Assistant Spinning Manager at Ibrahim Textile Mills Ltd., Faisalabad, in 1994.

When did you join Gadoon Textile Mills Limited (GTML)? What was your entry position?

I joined GTML on May 1, 2003, as a Deputy General Manager.

optimum results from the unit. I achieved this because of my able and competent team and the unwavering support from the CEO.

What was your biggest achievement or contribution to GTML that you are most proud of, and why?

My biggest achievement is to run the units given under my supervision successfully. I am proud of this achievement as the management chose me and reposed trust in my abilities. Likewise, I was able to translate their vision into reality and achieved all the projects' objectives.

What do you think are the secrets behind getting to where you are today?

The secret behind my success is religious adherence to my work ethics, defined by honesty, dedication, diligence, and last but not least, the ability to develop and sustain a team.

What is success for you?

To me success is the continuous quest to do justice to the role assigned to us. If we can do justice to our roles, we can be classed as successful people.

Who is your inspiration?

My father is my inspiration. From him, I learned the value of hard work, uprightness, and honesty.

Any advice for the young generation?

Youth is rightly considered as the future of the world. I would advise them, firstly, never cease to learn. Moreover, there is no substitute for hard work and honesty.

Health & Safety Measures



The HSE department of the Company is actively involved in ensuring that our employees work in a healthy and safe environment.

The professionals are equipped with contingency plans and the capacity to deal with emergency situations.

Several awareness and training sessions were held at the Head Office and both factories.

To counter COVID-19, the following measures have been adopted:

- Disinfection of the premises and vehicles on a daily basis

- Installation of a sanitizing tunnel and wall-mounted hand sanitizer dispenser
- Temperature checks at entry-points
- Distribution and compulsory use of face masks
- Encouraging social distancing through alternate days and work-from-home strategy
- Spreading awareness through sessions, emails, social media platforms and posters
- COVID-19 testing facility and paid leaves for COVID positive employees



Knitting Segment Expansion



The construction of a separate division for the knitting segment at Karachi Factory was completed and had recently become operational.

With a diverse product portfolio, our knitted home textile products cater to the retail and institutional sector for the US and EU markets.



Product Portfolio

- Fitted Sheets
- Institutional Sheets
- Nursery Kids Sheets
- Pillowcases
- Mattress Covers
- Sheet Sets with Fitted/Flat & Pillowcases
- Duvet Cover Sets
- Comforters



Certifications

The knits division has acquired the following certifications with several others in process,



Production Capacities

- | | | |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Knitting</p> <ul style="list-style-type: none"> • Griège Fabric: 40 Tons Per Day | <p>Dyeing</p> <ul style="list-style-type: none"> • Knitted Fabric: 40 Tons Per Day | <p>Stitching</p> <ul style="list-style-type: none"> • Fitted Sheets: 50,000 Per Day • Sheet Sets: 5,000 Per Day |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|

Employee Testimonials



Tayyaba Ubaid
MTO - Main Accounts & Finance

Joining Gadoon as an Intern; being a fresh graduate working with a reputable company helped me enhance my personal and professional skills. I'm thankful to my supervisor for making this experience full of learning by giving me challenges and opportunities to grow. This period taught me great lessons from developing job knowledge to improve interpersonal skills.



Sameed Elahi
CA – Internal Audit Department

I have experienced a great start with Gadoon. They provide an environment that is constructive to grow professionally, competitive to strive for your goals and cooperative to stay positive.



Mahpara Muhammad Yousuf
MTO - Local Sales & Marketing

Joining the Gadoon family, I felt that I am working with a great team of professionals in the field of sales and marketing. They push me to take on new challenging opportunities, and I am looking forward to the experience.

Employee ^{always} under the Spotlight



Thank You Mr. Muhammad Ilyas, for your 23 years of hard work and dedication!

Rate Us

Name:

Comments and Suggestions: