

# **CORPORATE BRIEFING SESSION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022**





## Overview

Gadoon Textile Mills Limited (GTML) was incorporated in Pakistan on February 23, 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn and knitted sheets and production and sale of milk.

We manufacture and process all types of cotton and manmade fibers, operating state-of-the-art manufacturing plants in Karachi (Sindh) and Gadoon Amazai (Khyber Pakhtunkhwa). We have a diverse portfolio of products tailored to meet the needs of local and foreign markets.

# Business Segments



**SPINNING**



**KNITTING**



**DAIRY**

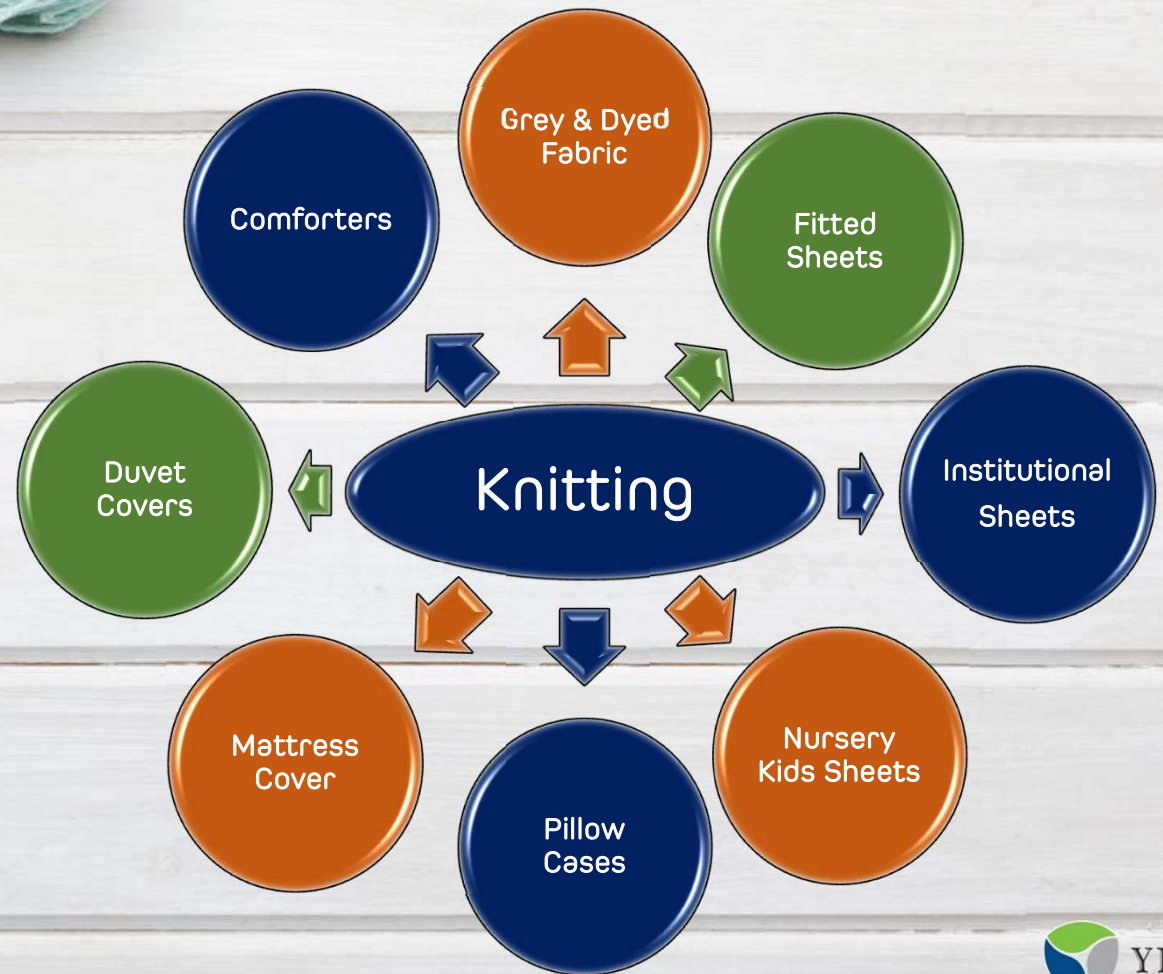


**STRATEGIC  
INVESTMENT**

# Product Portfolio



# Product Portfolio





# **Sustainable Development Goals (SDGs)**






CORPORATE SOCIAL RESPONSIBILITY

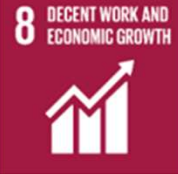


CORPORATE SOCIAL RESPONSIBILITY



### Performance Under PSX Indicators:

Following are the SDG indicators & Company's action plan under PSX criteria for the period of **July-21 to June-22**.

SDG Index	Global Adaptation	Company's Performance Indicators	Future Action Plan
	<ul style="list-style-type: none"> <li>Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world.</li> </ul>	<ul style="list-style-type: none"> <li>A consistent growth in the number of female staff at GTML Head office (<b>6.2%</b> in 2021 to <b>7.4%</b> in 2022).</li> <li>Policies exist to enforce, harassment free work environment <b>(no such cases report during the period)</b></li> </ul>	<ul style="list-style-type: none"> <li>Promote, monitor &amp; enforce related policies of gender diversity &amp; equality.</li> <li>Retain significant proportion of <b>10%</b> female employees.</li> <li>Increase managerial level job opportunities for females.</li> </ul>
	<ul style="list-style-type: none"> <li>Change in water-use efficiency over time</li> </ul>	<ul style="list-style-type: none"> <li><b>1.6 million</b> gallons of underground water annually utilized by maintaining the PH level.</li> <li><b>100%</b> renovation of RO plants to improve the quality of drinking water</li> </ul>	<ul style="list-style-type: none"> <li>Installation of water recycling plants.</li> <li>Usage of domestic waste water &amp; abluion (vozu) water for gardening purpose.</li> <li>Decrease the overall water consumption.</li> <li>RO plant operators at manufacturing area for maintenance</li> </ul>
	<ul style="list-style-type: none"> <li>Energy is central to nearly every major challenge and opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>Saving <b>12,751,760</b> units of electricity annually through (WHRS) plant &amp; unique infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>Measures for Green Office Certification by WWF.</li> <li>Fostering renewable energy projects at manufacturing area including the solar panel.</li> <li>investment in new technologies to retain efficient energy consumptions.</li> </ul>

 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs.</li> </ul>	<ul style="list-style-type: none"> <li>25+ differently abled people are under employment.</li> <li>Hired 20+ interns under Internship Program-22</li> <li>Labour laws are adhered, including migrant workers.</li> <li>(0%) fatal occupational injuries occurred at workplace.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring the overall compliance of labour laws &amp; regulations.</li> <li>Project initiatives to support livelihood development.</li> <li>Collaborating, speaking and acting for decent work and positive economic change.</li> </ul>
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> <li>Investments in infrastructure are crucial to achieving sustainable development.</li> </ul>	<ul style="list-style-type: none"> <li>Saving 1500+ hours per year by diverting to zoom.</li> <li>Tentatively 12,000 hours saved annually via BI Tools.</li> <li>600 hours saved annually by atomizing routine backup.</li> <li>900 maintenance hours saved by centralizing email system.</li> <li>Saved almost 720-man hours annually by optimizing operations i.e. approval workflow, dispatch plan, contract approval.</li> </ul>	<ul style="list-style-type: none"> <li>To build and enhance the digital transition footprint.</li> <li>Periodic upgradation of state-of-the-art machinery for production facilities by 2025.</li> <li>Investment planed for in-house dyeing segment at KP.</li> </ul>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>Responsible Production and Consumption</li> </ul>	<ul style="list-style-type: none"> <li>Intensified consumption of sustainable fibers including (BCI Cotton – 4,000,000 Kgs, GOTS – 626,000 Kgs, &amp; GRS – 79,094 Kgs)</li> <li>Reduce the wastage of raw material &amp; finished goods through recycling &amp; reusing within the operations.</li> <li>183,419,379 units of electricity generated annually through in-house production, thus reducing the load on national grid.</li> </ul>	<ul style="list-style-type: none"> <li>Promote waste prevention over recycling where possible.</li> <li>Explore usage of more sustainable fibers options</li> <li>Adopt updated sustainable practices or standards for smooth &amp; efficient operations.</li> <li>Advocate for corporate responsibilities. &amp; join petitions against unsustainable practices.</li> </ul>







# Events Covered During July 2021 till date

## **Covid-19 Vaccination Drive**

<https://www.facebook.com/Gadoontextile/photos/a.249982462065196/1316562328740532>

## **14<sup>th</sup> August 2021 (Independence Day Celebration)**

<https://www.facebook.com/Gadoontextile/videos/342668097563364>

## **The Guardian School Visit**

<https://fb.watch/dk5OQA0gjt/>

## **Tree Plantation Activity (KP Project)**

<https://www.facebook.com/Gadoontextile/photos/a.249982462065196/1347383388991759>

## **Summer Internship Program 2021**

<https://fb.watch/dk5suytQES/>

## **Best Corporate Report Award 2020**

<https://www.facebook.com/Gadoontextile/photos/a.249982462065196/1346713902392041>

## **World Elder's Day 2021**

<https://fb.watch/dk5EVfhD8h/>

## **Cricket Gala 2021**

<https://fb.watch/dk5GNgB-6N/>

**World Children's Day 2021**

[https://fb.watch/dk5JKUf\\_h6/](https://fb.watch/dk5JKUf_h6/)

**International Day of Disabled Persons 2021**

<https://fb.watch/dk63haiPZE/>

**World Human Rights Day 2021**

<https://www.facebook.com/Gadoontextile/photos/a.249982462065196/1419027218494042/>

**Annual Day 2021**

<https://fb.watch/dk68HV6YzY/>

**World Cancer Day 2022**

<https://www.facebook.com/Gadoontextile/photos/a.249982462065196/1455147448215352/>

**Corporate Briefing Session 2022**

<https://www.facebook.com/Gadoontextile/photos/a.249982462065196/1455880761475354/>

**International Women's Day 2022**

<https://www.facebook.com/Gadoontextile/photos/pcb.1475390416191055/1475387712857992/>

**Corporate Training Program 2022 (By MAP on Emotional Intelligence)**

[https://fb.watch/dk6M\\_wVKFH/](https://fb.watch/dk6M_wVKFH/)

**PAF-KIET (Factory Visit 2022)**

<https://www.facebook.com/Gadoontextile/photos/a.249982462065196/1492708091125954/>

**Data Centre & Database Centralization Program 2022 (IT Depart)**

<https://www.facebook.com/Gadoontextile/videos/403455935032637>

**World Day of Cultural Diversity 2022**

<https://fb.watch/dk710IT7Ph/>

## **Job Fairs:**

**1. ICMA Pakistan**

<https://www.facebook.com/Gadoontextile/photos/a.249982462065196/1459659531097477/>

**2. Syed University of Engineering & Technology**

<https://www.facebook.com/Gadoontextile/photos/a.249982462065196/1467168060346624/>

**3. Indus University**

<https://www.facebook.com/Gadoontextile/photos/a.249982462065196/1483309195399177/>

**4. Hamdard University**

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# FINANCIAL STATEMENTS ANALYSIS



# BUSINESS ANALYSIS (For the Year ended June 30, 2022)

● Positive  
● Negative

(Rupees in '000)

SPINNING	2022	2021	% Change
Local Sale	17,192,366	15,341,339	● 12.07%
Direct Export Sale	7,113,771	6,475,319	● 9.86%
Indirect Export	22,350,813	14,999,436	● 49.01%

KNITTING	2022	2021	% Change
Local Sale	80,366	307,717	● -73.88%
Export Sale	5,316,460	2,103,456	● 152.75%

REVENUE	2022	2021	% Change
Spinning	49,019,295	38,275,366	● 28.07%
Knitting	5,396,826	2,411,173	● 123.83%
Dairy	412,026	323,302	● 27.44%
<b>Total</b>	<b>54,828,147</b>	<b>41,009,841</b>	<b>● 33.70%</b>

OTHER INCOME	2022	2021	% Change
ICI	638,808	376,994	● 69.45%
YEL	462,277	297,784	● 55.24%
Others	297,178	239,901	● 23.88%
<b>Total</b>	<b>1,398,263</b>	<b>914,679</b>	<b>● 52.87%</b>

TOTAL	2022	2021	% Change
INCOME	56,226,410	41,924,520	● 34.11%
EXPENSES	50,512,838	38,390,419	● -31.58%

NET PROFIT	2022	2021	% Change
TOTAL	5,713,572	3,534,101	● 61.67%

COST OF SALES	2022	2021	% Change
Raw Material	36,620,082	25,692,299	● -42.53%
Power	4,193,157	4,045,304	● -3.65%
Salaries	2,802,380	2,658,694	● -5.40%
Store	1,150,392	955,448	● -20.40%
Others	2,854,619	2,233,385	● -27.82%
Valuation Difference	(1,133,720)	841,600	● 234.71%
<b>Total</b>	<b>46,486,910</b>	<b>36,034,261</b>	<b>● -29.01%</b>

ADMIN, DISTRIBUTION & OTHER	2022	2021	% Change
Admin Cost	361,976	314,810	● -14.98%
Distribution	1,486,957	633,224	● -134.82%
Others	426,280	285,064	● -49.54%
<b>Total</b>	<b>2,275,213</b>	<b>1,233,098</b>	<b>● -84.51%</b>

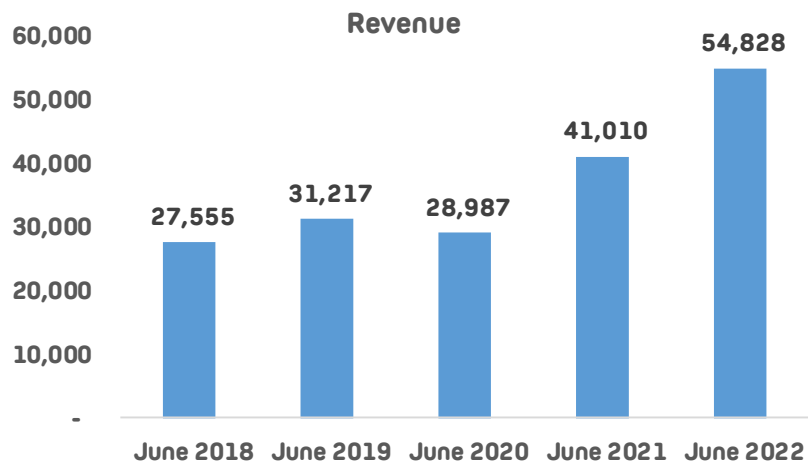
FINANCE COST	2022	2021	% Change
Short Term	403,437	516,814	● 21.94%
Long Term	115,552	96,146	● -20.18%
Others	27,232	18,101	● -50.44%
<b>Total</b>	<b>546,221</b>	<b>631,061</b>	<b>● 13.44%</b>

TAXATION	2022	2021	% Change
Current	1,231,071	519,717	● -136.87%
Deferred	(26,577)	(27,718)	● -4.12%

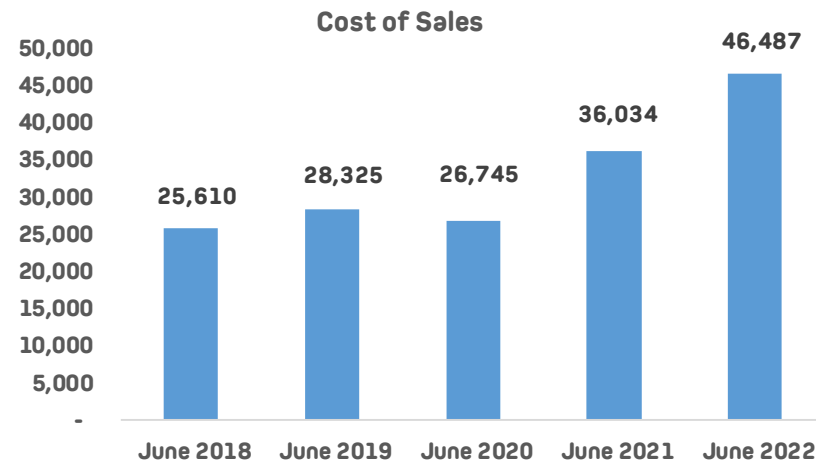
	UoM	June		
		2022	2021	2020
GP to sales	Percentage	15.21%	12.13%	7.73%
Net profit after tax to sales	Percentage	10.42%	8.62%	0.16%
EBITDA to sales	Percentage	15.54%	13.75%	7.80%
EBDA to sales	Percentage	12.35%	11.02%	3.66%
Return on equity	Percentage	37.33%	32.58%	0.49%
Return on capital employed	Percentage	36.89%	30.92%	10.09%
Current ratio	Times	1.47	1.31	1.03
Cash to current liabilities	Times	0.01	0.01	0.01
Inventory turnover	Days	115	120	145
Debtor turnover	Days	26	28	37
Creditors turnover	Days	37	42	43
Operating cycle	Days	104	106	140
Asset turnover	Times	1.52	1.32	1.00
Fixed Asset turnover	Times	5.02	3.94	2.87
Leverage Ratio (D/E)	Times	0.62	0.78	1.76
Earnings per Share	Rupees	203.84	126.08	1.62



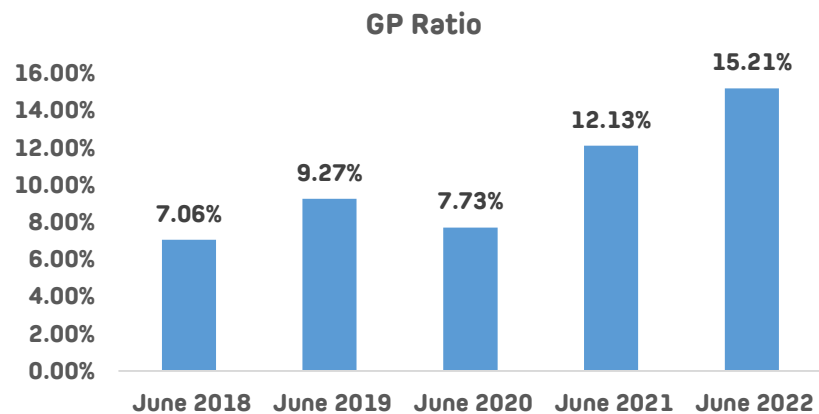
Rs in 'Million



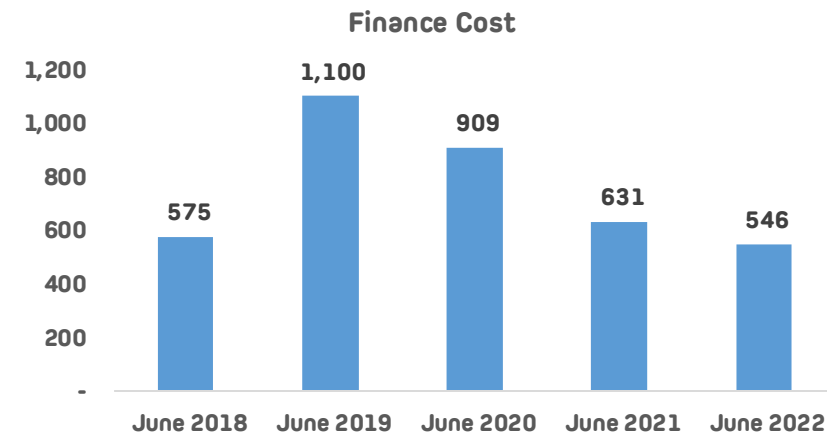
Rs in 'Million



In Percentage %



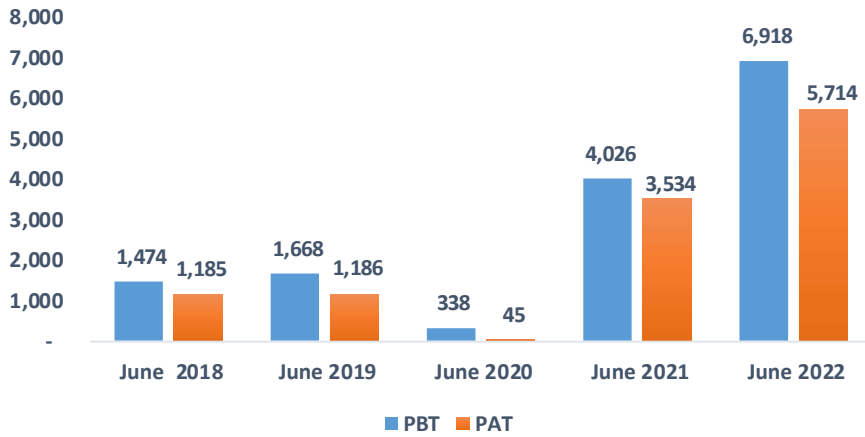
Rs in 'Million





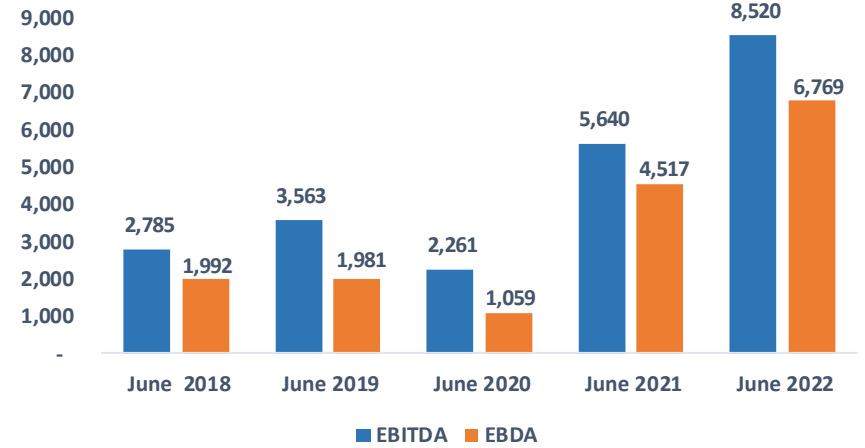
Rs in 'Million

### PBT / PAT



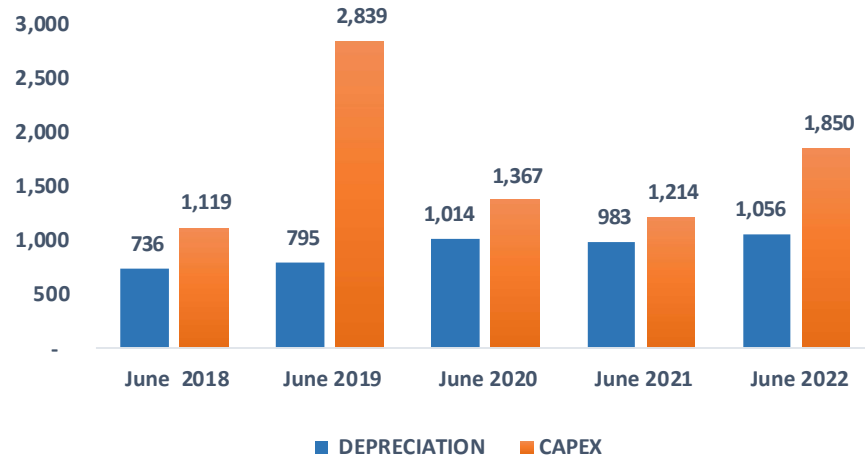
Rs in 'Million

### EBITDA / EBDA



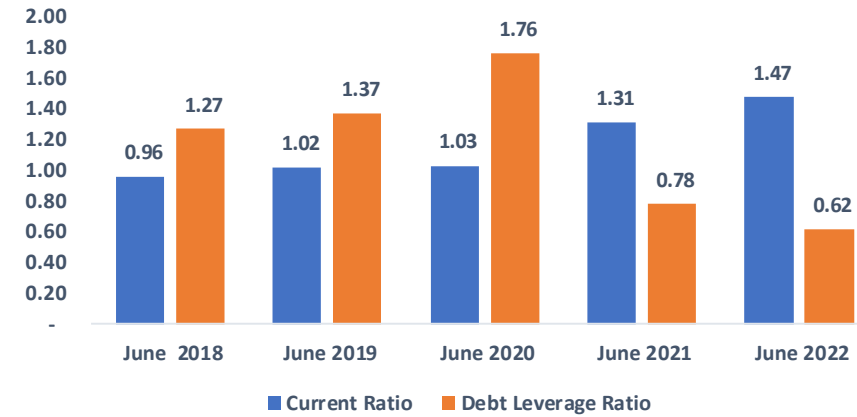
Rs in 'Million

### Depreciation / CAPEX



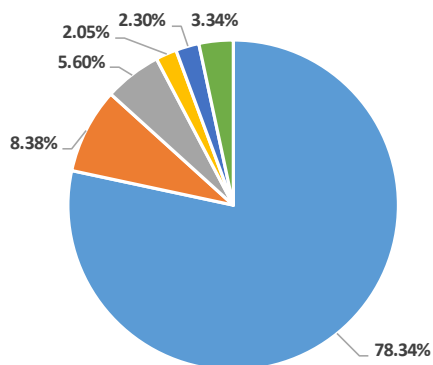
Times

### Current / Debt Leverage Ratio



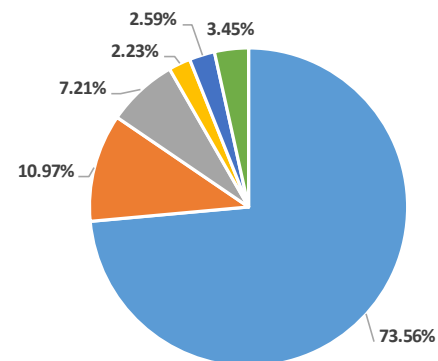
# Cost of Goods Manufactured

Jun-22



■ Raw material consumed 
 ■ Power and fuel 
 ■ Salaries and Wages  
■ Packing materials 
 ■ Stores consumed 
 ■ Other manufacturing

Jun-21



■ Raw material consumed 
 ■ Power and fuel 
 ■ Salaries and Wages  
■ Packing materials 
 ■ Stores consumed 
 ■ Other manufacturing

	Jun-22		Jun-21	
	Rupees in '000'	% of COGM	Rupees in '000'	% of COGM
Raw material consumed	39,213,837	78.34%	27,137,576	73.56%
Power and fuel	4,193,157	8.38%	4,045,304	10.97%
Salaries and Wages	2,802,380	5.60%	2,658,694	7.21%
Packing materials	1,025,429	2.05%	821,742	2.23%
Stores consumed	1,150,392	2.30%	955,448	2.59%
Other manufacturing	1,671,471	3.34%	1,271,889	3.45%
<b>Total</b>	<b>50,056,666</b>	<b>100.00%</b>	<b>36,890,653</b>	<b>100.00%</b>

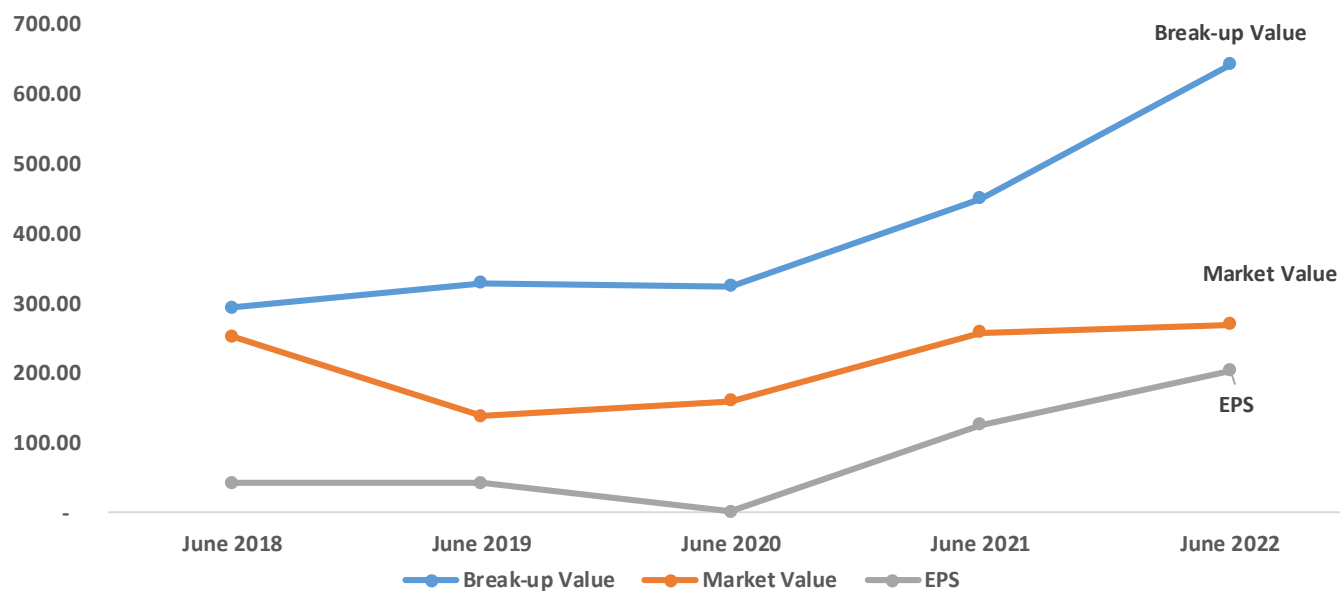
## Analysis of Break-Up & Market Value

Period Ended	Break-up Value Per Share Rs	Market Value Per Share Rs	Earning Per Share Rs	Dividend / Share	Market Capitalisation Rs in '000
June 2018	293.03	252.00	42.29	15.50	7,063,560
June 2019	328.56	138.34	42.32	8.50	3,877,670
June 2020	324.10	159.51	1.62	-	4,471,065
June 2021	449.88	258.46	126.08	12.00	7,244,634
June 2022	642.29	270.00	203.84	20.00	7,568,100

M.V. dated August 4, 2022  
Rs. 252.00

Last 52 weeks range:  
Rs. 236.00- 393.00

Shares Traded: 9,454  
(Average per day Last 12 Months)



# **FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022**



<b>Statement of Financial Position</b>	<b>Rs. in '000</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	11,016,751	10,253,638
Biological Asset - Animals	365,430	208,396
Long term advance	-	-
Long term loans	46,146	28,950
Long term deposits	34,742	33,576
Long term investments	4,233,555	3,570,625
	15,696,624	14,095,185
<b>Current Assets</b>		
Stores, spares and loose tools	897,457	647,854
Stock-in-trade	18,381,382	10,877,270
Trade debts	3,751,395	4,038,372
Loans and advances	534,710	234,103
Trade deposits and short term prepayments	14,943	40,911
Other receivables	1,386,756	639,738
Current tax asset	-	508,154
Cash and bank balances	159,841	143,166
	25,126,484	17,129,568
<b>Total Assets</b>	40,823,108	31,224,753



## Statement of Financial Position

Rs. in '000

June 30,  
2022

June 30,  
2021

### EQUITY AND LIABILITIES

#### Share Capital and Reserves

Issued, subscribed and paid up

280,296

280,296

Capital reserves

137,541

137,541

Revenue reserves

17,585,312

12,192,238

18,003,149

12,610,075

#### Non Current Liabilities

Long term finance

4,008,570

3,906,240

Deferred government grant

186,528

144,078

Retirement benefit obligation

820,993

714,068

Deferred tax liabilities

756,100

780,817

5,772,191

5,545,203

#### Current Liabilities

Short term borrowings

6,117,971

5,038,783

Trade and other payables

9,798,223

7,100,414

Unclaimed dividend

26,392

22,474

Current tax liability

82,062

-

Current portion of long term finance

763,011

735,143

Current portion of deferred grant

56,327

54,077

Accrued mark up

203,782

118,584

17,047,768

13,069,475

#### Total Equity and Liabilities

40,823,108

31,224,753



Rs. in '000

## Statement of Profit or Loss

	For the Year ended					
	30-Jun-22	%	30-Jun-21	%	Variance	%
Sales - net	54,828,147	100.0	41,009,841	100.0	13,818,306	33.7
Cost of sales	(46,486,910)	(84.8)	(36,034,261)	(87.9)	(10,452,649)	(29.0)
<b>Gross profit</b>	<b>8,341,237</b>	<b>15.2</b>	<b>4,975,580</b>	<b>12.1</b>	<b>3,365,657</b>	<b>67.6</b>
Distribution cost	(1,486,957)	(2.7)	(633,224)	(1.5)	(853,733)	(134.8)
Administrative expenses	(361,976)	(0.7)	(314,810)	(0.8)	(47,166)	(15.0)
	(1,848,933)	(3.4)	(948,034)	(2.3)	(900,899)	(95.0)
<b>Operating profit</b>	<b>6,492,304</b>	<b>11.8</b>	<b>4,027,546</b>	<b>9.8</b>	<b>2,464,758</b>	<b>61.2</b>
Financial charges	(546,221)	(1.0)	(631,061)	(1.5)	84,840	13.4
Other operating expense	(426,280)	(0.8)	(285,064)	(0.7)	(141,216)	(49.5)
	(972,501)	(1.8)	(916,125)	(2.2)	(56,376)	6.2
Other income	294,588	0.5	237,188	0.6	57,400	24.2
Share of profit from associates	1,103,675	2.0	677,491	1.7	426,184	62.9
	1,398,263	2.55	914,679	2.3	483,584	52.9
<b>Profit before taxation</b>	<b>6,918,066</b>	<b>12.6</b>	<b>4,026,100</b>	<b>9.9</b>	<b>2,891,966</b>	<b>71.8</b>
Taxation	(1,204,494)	(2.2)	(491,999)	(1.2)	(712,495)	(144.8)
<b>Profit after taxation</b>	<b>5,713,572</b>	<b>10.4</b>	<b>3,534,101</b>	<b>8.7</b>	<b>2,179,471</b>	<b>61.7</b>



# FUTURE OUTLOOK

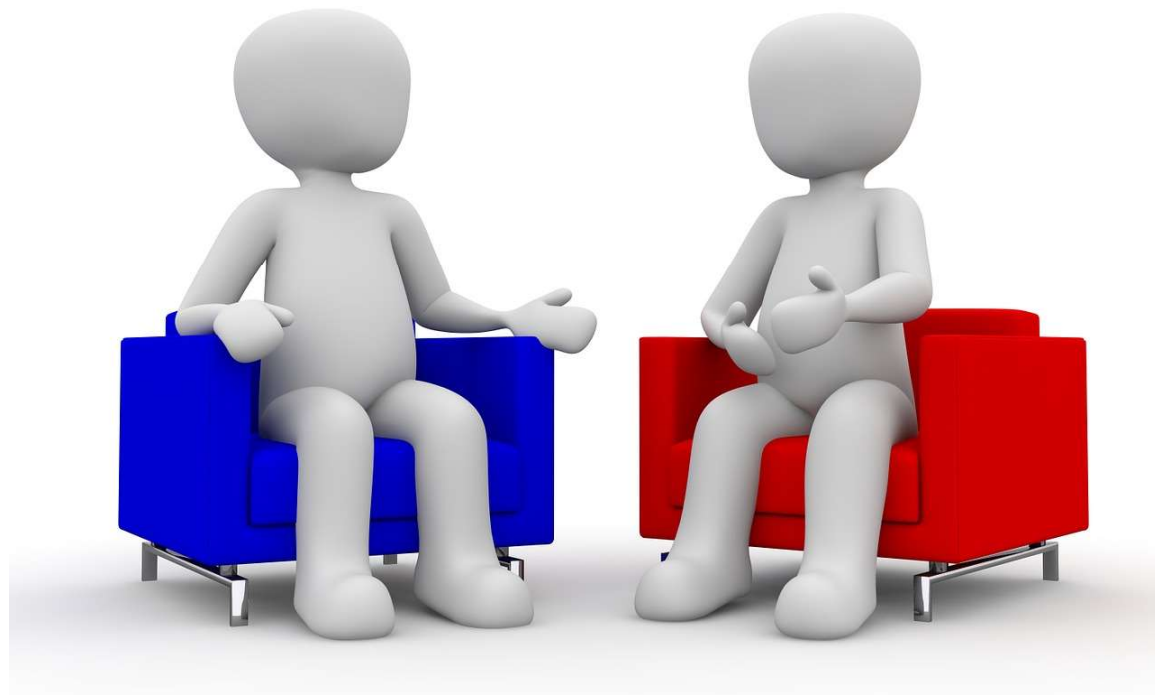




# Future Outlook

- Country is currently facing the toughest times to honor its foreign obligations and to deal with depleting foreign exchange reserves.
- Rating agencies Fitch, Moody and S&P have revised Pakistan's Outlook to Negative from Stable however with recent staff level agreement with IMF it is hopeful that Country will be able to secure the financing from IMF which will pave ways to receive further loans from other institutions i.e., World Bank, ADP etc. which will have a positive impact on the Country's reserves.
- FATF assessment team is likely to visit Pakistan in September 2022 for completing the procedural requirements for its exit from watchdog's 'grey list'; which is a positive indicator and will likely boost Pakistan's economic position globally.
- With cabinet approval for energy cost on the cards, we believe that certainty in the policies / decisions is essential for the sustainable growth of any business.
- Approval of Textile and Apparel Policy 2020-2025 by the Federal Cabinet in February 2022 to focus on providing business conducive environment, reducing costs of doing business and promoting Made in Pakistan it is hopeful that textile industry will flourish further in the upcoming years and will able to achieve the export target of USD 40 billion by FY 2025.
- With the significant devaluation of Pak Rupee subsequent to the year's end (even though some appreciation is being witness in the last couple of days), high volatility in the local and international cotton prices, the cost of doing business may increase and resultantly the Company might face difficulty in fetching better sales prices.
- The acceleration of worldwide inflation, as well as a significant increase in freight charges is making international trade costlier which is expected to continue.
- The Company intend to increase its customer base and also planned further expansion including in value added sector, in order to build synergies, rationalizing the operating costs and consequently having a positive impact on the net margins.

# Q & A SESSION



**THANK  
YOU**

# Cotton Production and Rates

Country	Area Harvested (1000 HA)	Yield (HA/KG)	Production (1000 480 lb. Bales)	Import (1000 480 lb. Bales)	Export (1000 480 lb. Bales)	Consumption (1000 480 lb. Bales)
China	3,150	1,783	27,500	10,500	50	38,000
India	12,700	435	27,500	1,700	4,000	25,500
United States	3,697	871	16,500	5	14,500	2,505
Brazil	1,600	1,518	13,200	15	10,000	3,200
Pakistan	2,200	590	6,200	5,000	50	11,125
Australia	550	1,901	5,500	-	5,700	-
Turkey	525	1,234	4,300	5,000	650	8,600
Uzbekistan	1,070	521	3,000	15	200	2,750
Benin	650	471	1,500	-	1,500	15
Argentina	425	653	1,350	-	700	600
Burkina Faso	650	327	1,050	-	1,000	25

Source: Indexmundi.com

Date	Cotton Rate USD / LB
30-Jun-21	0.85
31-Dec-21	1.14
31-Mar-22	1.36
30-Jun-22	0.99
05-Aug-22	0.96

Source: investing.com