

# **CRESCENT COTTON MILLS LIMITED**

## **CORPORATE BRIEFING SESSION 2023**





# **CRESCENT COTTON MILLS LIMITED**

## **COMPANY PROFILE**

### **BASIC INFORMATION ABOUT THE COMPANY**

Date of incorporation	:	07 <sup>th</sup> day of March, 1959
Registration number	:	0000984
National tax number	:	0710139-2
Sales tax registration number	:	04-03-2900-001-82
Phone number	:	041-8752111-4, 041-8750363-4
Facsimile number	:	041-8750366
E.Mail address	:	info@crescentcotton.com
Website	:	crescentcotton.com

### **BOARD OF DIRECTORS**

The panel of the Board of Directors comprises of the following :-

- Mr. Taimur Amjad Chairman
- Mr. Abid Mehmood Chief Executive Officer

( In alphabetical order )

- Mr. Adnan Amjad Non-Executive Director
- Mr. Naveed Gulzar Executive Director
- Ms. Nazish Arshad Non-Executive Director
- Mr. Salman Rafi Independent Director
- Ms. Shameen Azfar Independent Director



## **HISTORY**

Crescent Sugar Mills & Distillery Limited was incorporated on March 07, 1959. The Company has three lines of business ie. Sugar Unit, Distillery Unit and Spinning Unit. Initially this company was a subsidiary of The Crescent Textile Mills Limited and was separately listed on the Karachi Stock Exchange in 1965. Now the Company is listed on all the three stock exchanges of the country. On May 02, 2012 the name of the company has been changed to Crescent Cotton Mills Limited with the approval of board of directors, share holders and Securities & Exchange Commission of Pakistan.

## **SUGAR UNIT**

Sugar Unit went into commercial production in December 1960. The sugar plant was capable of producing 23,167 M.Tons of refined sugar. It has a daily crushing capacity of 3,000 TCD. This project was spread over approximate 98 acres, and is situated on the main Faisalabad Lahore Road. Quality white sugar was produced by this unit. At present due to operational difficulties plant and machinery of the sugar unit has been disposed off.

## **DISTILLERY UNIT**

Distillery plant having a capacity of 2.727 Million liters of industrial alcohol, went into commercial production in 1965. This plant was located within the premises of the Sugar Unit. This unit produces both high quality denatured as well as rectified spirit. At present due to operational difficulties plant and machinery of the distillery unit has been disposed off.



## **SPINNING UNITS**

The Company operates three Spinning Units. Two Units are located at Kotla Kahlon, 8/9 Kilometers from Shahkot towards Sheikhupura. Spinning Unit # 1 at Shahkot comprising of 14,400 spindles was completed and put into operation on July 01, 1990. Later on 11,232 spindles were added to this unit. Spinning Unit # 2 was completed and came into operation in December 1994 having 15,360 spindles to which 5,760 spindles were added later on. The company acquired a spinning unit consisting of 20,160 spindles at Pattoki which has started its operations from August 2017. An addition of 2,880 spindles was also done in this Unit. Presently the Spinning Units consist of 69,792 spindles with an accumulated capacity of 19,159,271 Kgs. of yarn converted at 20s count. Cotton as well as blended yarn is produced for the local as well as export market. The Spinning Units of the Company have received ISO 9002 certification.

## **HOSIERY UNIT / HOME TEXTILES**

The company has also setup a hosiery unit consisting of 57 socks machines. A separate Home Textiles Division has also been setup which is dealing in cloth and made-ups.

## **SUBSIDIARIES**

Crescent Cotton Mills Limited has one subsidiary company.

### **Crescot Mills Limited**

Crescot Mills Limited was a spinning unit situated at B-10, SITE Kotri district Hyderabad. Crescent Sugar Mills & Distillery Limited holds 66.15 % of the equity of Crescot Mills Limited. Due to heavy losses the company has ceased all production activities since August 1998 and has disposed off some of its plant and machinery. The management of the Company has got the Company de-listed from Karachi Stock Exchange (Guarantee)



Limited, the sole stock exchange on which it was listed. In the year 2021 the management of Crescot Mills Limited disposed of the entire assets of the company, however in the year 2022 company started business of trading of raw material of textiles.

## **STATEMENT OF ETHICS AND BUSINESS PRACTICES**

### INTRODUCTION

Crescent Cotton Mills Limited ( CCML ) holds, and will continue to hold, a leading position among sugar, industrial alcohol and yarn manufacturers in Pakistan. CCML's activities are guided by the highest standards and principles of business conduct as accepted by the national as well as international business community.

Crescent Cotton Mills Limited is proud of its reputation, its honest treatment of customers, directors and employees. The professionalism of management and employees of CCML and the corporate principles and ethics abided by them continue to be an essential factor in the development of the company. These factors continue to shape and strengthen its present position in the business community. We believe that adherence to these principles is key to a successful future for Crescent Cotton Mills Limited.

Crescent Cotton Mills Limited operates in an emerging economy. Following the principles of good corporate citizenship, CCML is committed to setting an example of high ethical and proper business practices. It is our belief that adherence to the principles of corporate governance and transparency sets the tone for the ongoing development of our industry and the economy in which we operate.

Pakistan is CCML's home. As such, we are committed to increasing wealth in Pakistan and we have made this, one of our business priorities.



## COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

### PREAMBLE

Compliance with best practices of Corporate Governance may derive assurance that the company is being ethically managed according to prudently determined risk parameters in compliance with generally adopted corporate practices and that all transactions not only comply with all laws but are also fairly and accurately reflected in the financial statements.

The implementation and compliance of elements of Code of Corporate Governance is the responsibility of the Board of Directors of the Company.

This document reflects company's procedure for compliance with the elements of Code of Corporate Governance.



## VISION STATEMENT

To continue to hold a highly prestigious profile amongst the national as well as international industry through producing international quality sugar, industrial alcohol, yarn and by-products, while ever endeavoring for a sustainable growth of the Company.

## MISSION STATEMENT

The company's primary mission is to be a profitable performance proven leader in sugar, industrial alcohol and yarn manufacturing, with recognition coming from our customers, our equity holders, our employees and the public at large. The company seeks to accomplish this in a manner that contributes to the strengthening of the free enterprise system, to the development and growth of its employees, and to the goals of the country and the community towards fulfilling its social responsibilities/obligations in a befitting manner.



## KEY OPERATING AND FINANCIAL DATA

(RUPEES IN  
MILLION)  
2018

2023      2022      2021      2020      2019

### Summary of Profit and Loss Account

Sales	6,386	7,115	5,406	5,517	7,393	6,094
Gross profit	468	726	726	365	289	244
Profit from operations	297	431	485	156	80	104
Finance cost	110	99	87	104	84	55
Profit/(Loss) before taxation	187	332	398	52	(4)	49
Taxation	72	83	76	10	88	43
Profit/(Loss) after taxation	115	249	322	42	(92)	6

### Summary of Balance Sheet

Property, plant and equipment	5,911	5,312	5,204	5,191	5,151	4,135
Other non-current assets	63	57	60	65	63	31
Stock in trade	636	658	488	540	475	379
Trade debts	477	514	195	280	200	127
Other current assets	1,124	852	744	753	636	716
Current assets	2,237	2,024	1,427	1,573	1,311	1,222
Total assets	8,211	7,393	6,691	6,829	6,525	5,388
Shareholders equity	1,176	1,091	887	560	531	698
Surplus on revaluation of operating fixed assets	4,926	4,283	4,137	4,137	4,137	3,080
Long term financing	54	111	204	195	131	178
Other non-current liabilities	98	161	149	127	101	81
Trade and other payables	1,173	815	678	645	789	723
Short term borrowings	561	674	369	841	661	529
Other current liabilities	223	258	267	324	175	99
Current liabilities	1,957	1,747	1,314	1,810	1,625	1,351
Total equity and liabilities	8,211	7,393	6,691	6,829	6,525	5,388

### Summary of Cash Flow Statement

Cash and cash equivalents at the beginning of the year	44	143	42	50	106	41
Net cash (used in) / generated from operating activities	226	(233)	548	(121)	(125)	118
Net cash used in investing activities	(2)	(64)	(59)	(103)	(25)	(130)





Net cash from / (used in) financing activities	(218)	198	(388)	216	94	77
Net increase / (decrease) in cash and cash equivalents	6	(99)	101	(8)	(56)	65
Cash and cash equivalents at the end of the year	50	44	143	42	50	106

## PERFORMANCE INDICATORS

		2023	2022	2021	2020	2019	2018
<b>Profitability Ratios</b>							
Gross profit ratio	%	7.33	10.20	13.43	6.62	3.91	4.00
Net profit to sales	%	1.80	3.50	5.96	0.76	(1.24)	0.10
Return on equity	%	9.78	22.82	36.30	7.50	(17.33)	0.86
Return on capital employed	%	28.01	49.73	59.61	7.79	(0.60)	7.34
Earning/(loss) per share	Rs.	5.07	10.99	14.19	1.83	(4.04)	0.26
<b>Liquidity Ratios</b>							
Current ratio	Times	1.14	1.16	1.09	0.87	0.81	0.90
Quick ratio	Times	0.82	0.78	0.71	0.57	0.51	0.62
Cash to current liabilities	%	0.03	0.03	0.11	0.02	0.03	0.08
<b>Activity / Turnover Ratios</b>							
Inventory turnover	Times	9	11	9	10	17	18
Number of days in inventory	Days	40	33	40	36	22	20
Debtor turnover	Times	13	20	23	23	45	64
Number of days in receivables	Days	28	18	16	16	8	6
Creditors turnover	Times	6	9	7	7	9	10
Number of days in payables	Days	61	43	52	51	39	35
Total assets turnover	Times	0.82	1.01	0.80	0.83	1.24	1.16
Property, plant and equipment turnover	Times	1.14	1.35	1.04	1.07	1.59	1.49
<b>Investment / Market Ratios</b>							
Basic and diluted earning/(loss) per share	Rs.	5.07	10.99	14.19	1.83	(4.04)	0.26
Price earning ratio	Times	6.68	4.15	3.86	21.69	(7.02)	96.69
Market value per share							



- At the end of year	Rs.	33.86	45.66	54.75	39.70	28.38	25.14
- Highest during the year	Rs.	35.00	59.17	60.00	42.88	39.64	39.64
- Lowest during the year	Rs.	29.00	30.55	24.94	24.94	23.89	25.14
Break up value w/o surplus on revaluation	Rs.	51.90	48.15	39.14	24.71	23.43	30.80
Break up value with surplus on revaluation	Rs.	269.28	237.16	221.71	207.28	206.00	166.72

### Capital Structure Ratios

Financial leverage ratio	Times	0.52	0.72	0.65	1.85	1.49	1.01
Long term debt to equity ratio	%	4.59	10.17	23.00	34.82	24.67	25.50
Interest coverage ratio	Times	2.70	4.35	5.57	1.50	0.95	1.89