

# **CRESCENT COTTON MILLS LIMITED**

## **CORPORATE BRIEFING SESSION 2024**



# **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 two Spinning Units. 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. Presently the Spinning Units consist of 46,752 spindles with an accumulated capacity of 10,692,111 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.

<p style="text-align: center;"><b>COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE</b></p>
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**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)

	2024	2023	2022	2021	2020	2019
<b>Summary of Profit and Loss Account</b>						
Sales	5,963	6,386	7,115	5,406	5,517	7,393
Gross profit	477	468	726	726	365	289
Profit from operations	222	297	431	485	156	80
Finance cost	84	110	99	87	104	84
Profit/(Loss) before taxation	138	187	332	398	52	(4)
Taxation	62	72	83	76	10	88
Profit/(Loss) after taxation	76	115	249	322	42	(92)
Loss after taxation from discontinued operations	(26)	-	-	-	-	-
Profit/(Loss) after taxation	50	115	249	322	42	(92)
<b>Summary of Balance Sheet</b>						
Property, plant and equipment	587	5,911	5,312	5,204	5,191	5,151
Other non-current assets	68	63	57	60	65	63
Stock in trade	557	636	658	488	540	475
Trade debts	490	477	514	195	280	200
Other current assets	6,586	1,124	852	744	753	636
Current assets	7,633	2,237	2,024	1,427	1,573	1,311
Total assets	8,288	8,211	7,393	6,691	6,829	6,525
Shareholders equity	1,226	1,176	1,091	887	560	531
Surplus on revaluation of operating fixed assets	4,926	4,926	4,283	4,137	4,137	4,137
Long term financing	20	54	111	204	195	131
Other non-current liabilities	137	98	161	149	127	101
Trade and other payables	1,210	1,173	815	678	645	789
Short term borrowings	698	561	674	369	841	661
Other current liabilities	71	223	258	267	324	175
Current liabilities	1,979	1,957	1,747	1,314	1,810	1,625
Total equity and liabilities	8,288	8,211	7,393	6,691	6,829	6,525
<b>Summary of Cash Flow Statement</b>						
Cash and cash equivalents at the beginning of the year	50	44	143	42	50	106
Net cash (used in) / generated from operating activities	(106)	226	(233)	548	(121)	(125)
Net cash used in investing activities	(5)	(2)	(64)	(59)	(103)	(25)
Net cash from / (used in) financing activities Net increase / (decrease) in cash and cash equivalents	81	(218)	198	(388)	216	94
	(30)	6	(99)	101	(8)	(56)
Cash and cash equivalents at the end of the year	20	50	44	143	42	50





## PERFORMANCE INDICATORS

	2024	2023	2022	2021	2020	2019
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### Profitability Ratios

Gross profit ratio	%	8.00	7.33	10.20	13.43	6.62	3.91
Net profit to sales	%	1.27	1.80	3.50	5.96	0.76	(1.24)
Return on equity	%	6.20	9.78	22.82	36.30	7.50	(17.33)
Return on capital employed	%	20.67	28.01	49.73	59.61	7.79	(0.60)
Earning/(loss) per share	Rs.	2.23	5.07	10.99	14.19	1.83	(4.04)

### Liquidity Ratios

Current ratio	Times	3.86	1.14	1.16	1.09	0.87	0.81
Quick ratio	Times	3.58	0.82	0.78	0.71	0.57	0.51
Cash to current liabilities	%	0.01	0.03	0.03	0.11	0.02	0.03

### Activity / Turnover Ratios

Inventory turnover	Times	9	9	11	9	10	17
Number of days in inventory	Days	40	40	33	40	36	22
Debtor turnover	Times	12	13	20	23	23	45
Number of days in receivables	Days	30	28	18	16	16	8
Creditors turnover	Times	5	6	9	7	7	9
Number of days in payables	Days	79	61	43	52	51	39
Total assets turnover	Times	0.72	0.82	1.01	0.80	0.83	1.24
Property, plant and equipment turnover	Times	1.84	1.14	1.35	1.04	1.07	1.59

### Investment / Market Ratios

Basic and diluted earning/(loss) per share	Rs.	2.23	5.07	10.99	14.19	1.83	(4.04)
Price earning ratio	Times	41.30	6.68	4.15	3.86	21.69	(7.02)
Market value per share							
- At the end of year	Rs.	92.10	33.86	45.66	54.75	39.70	28.38
- Highest during the year	Rs.	111.34	35.00	59.17	60.00	42.88	39.64
- Lowest during the year	Rs.	92.10	29.00	30.55	24.94	24.94	23.89
Break up value w/o surplus on revaluation	Rs.	54.10	51.90	48.15	39.14	24.71	23.43
Break up value with surplus on revaluation	Rs.	271.49	269.28	237.16	221.71	207.28	206.00

### Capital Structure Ratios

Financial leverage ratio	Times	0.59	0.52	0.72	0.65	1.85	1.49
Long term debt to equity ratio	%	1.63	4.59	10.17	23.00	34.82	24.67
Interest coverage ratio	Times	2.64	2.70	4.35	5.57	1.50	0.95