

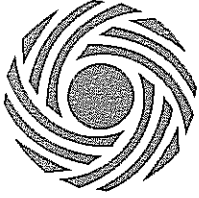
# **QUARTERLY REPORT**

**UN-AUDITED**

**QUARTER ENDED**

**SEPTEMBER 30, 2021**

**CHAKWAL SPINNING MILLS LIMITED**



**CHAKWAL SPINNING MILLS LTD.**



**ISO 9001:2000  
CERTIFIED**

7/1, E-3, Main Boulevard, Gulberg - III, Lahore, Pakistan.  
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Email: ksml@pol.com.pk

## **Directors' Report to the Members**

The Directors of the company are pleased to present the quarterly accounts for the period ended September 30, 2021.

The Directors of the company regret for the late submission of accounts and it was agreed that in future the accounts shall be submitted within stipulated period. The directors shall take measure for submission of accounts to regulators.

The company could not continue its operation aftermath the outbreak of Covid-19 since March 2020. The company has to face serious cash flow and liquidity constrains which limited the management initiative to continue the operations. The management of the company solicit a revival plan with multiple operational options. The directors of the company consider in depth the revival plan and made a considerable suggestion with modified approach for sustainable and consistent operation of the company. The management shall consider the suggestion with multiple approach before get transcript and shall place before the board for implementation after taking consent and confidence of relevant stake holders.

The management believe that it will lead to put the company on revival and get out from doubt of going concern with due course of time. Simultaneously the company shall also get the normal status at PSX. The management believe that its efforts will be matured and would again get the momentum of continued business operation.

The directors of the company pay special thanks to its members, employees and other peoples engaged with the company for their continued support and prayers in the difficult time.

For and on behalf of the Board

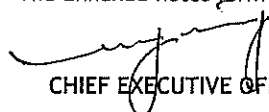
Khawaja Mohammad Jawed  
**Chairman**

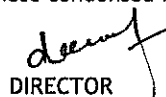
April 14, 2022

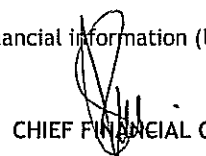
**CHAKWAL SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
<b>CAPITAL AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized share capital 140,000,000 (2021: 140,000,000) ordinary shares of Rs. 5 each		700,000,000	700,000,000
Issued, subscribed and paid up share capital		607,881,000	607,881,000
Loan from directors		42,375,000	42,375,000
Accumulated loss		(838,089,283)	(827,962,439)
Surplus on revaluation of property, plant & equipment		125,341,412	126,437,687
		(62,491,871)	(51,268,752)
<b>Non Current Liabilities</b>			
Deferred liabilities		-	-
<b>Current Liabilities</b>			
Trade and other payables		279,418,338	279,486,675
Accrued mark- up		67,778,697	67,778,697
Short term borrowings		478,159,028	477,639,029
Current portion of non current liabilities		37,742,792	37,742,792
Unclaimed dividend		384,347	384,347
Provision for taxation		10,232,194	10,232,194
		873,715,396	873,263,734
Contingencies and Commitments	5	-	-
		811,223,525	821,994,982
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	6	744,795,643	755,519,415
Long term loans		712,766	712,766
Long term deposits		27,839,744	27,839,744
		773,348,153	784,071,925
<b>Current Assets</b>			
Trade debts		324,607	324,607
Loans and advances		4,346,292	4,346,292
Tax refunds due from the government		23,880,927	23,880,927
Trade deposits, prepayments and other receivables		9,275,435	9,322,935
Cash and bank balances		48,111	48,296
		37,875,372	37,923,057
		811,223,525	821,994,982

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**CHAKWAL SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (Un-audited)**

	Quarter Ended	
	September 30, 2021	September 30, 2020
	Rupees	Rupees
Sales	-	-
Cost of sales	(10,624,057)	(11,446,064)
<b>Gross Loss</b>	(10,624,057)	(11,446,064)
Distribution cost	-	-
Administrative expenses	(599,062)	(995,952)
	(599,062)	(995,952)
<b>Operating Loss</b>	(11,223,119)	(12,442,016)
Finance cost	-	(7,875)
<b>Loss before Taxation</b>	(11,223,119)	(12,449,891)
Taxation	-	-
<b>Net loss for the period</b>	(11,223,119)	(12,449,891)
<b>Loss per Share - Basic &amp; Diluted</b>	(0.09)	(0.10)

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

CHIEF EXECUTIVE OFFICER


DIRECTOR

CHIEF FINANCIAL OFFICER

**CHAKWAL SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (Un-audited)**

	Quarter Ended	
	September 30, 2021	September 30, 2020
	Rupees	Rupees
Net loss for the period	(11,223,119)	(12,449,891)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	<u>(11,223,119)</u>	<u>(12,449,891)</u>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).



CHIEF EXECUTIVE OFFICER



DIRECTOR

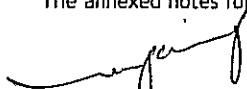


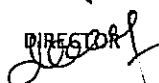
CHIEF FINANCIAL OFFICER


**CHAKWAL SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOW**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (Un-audited)**

	Quarter Ended	
	September 30, 2021	September 30, 2020
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(11,223,119)	(12,449,891)
Adjustments for:		
- Depreciation	10,723,772	11,566,937
- Finance cost	-	7,875
	<u>10,723,772</u>	<u>11,574,812</u>
Operating loss before working capital changes	(499,347)	(875,079)
(Increase) / decrease in current assets		
- Trade debts	-	365,000
- Trade deposits, prepayments and other receivables	47,500	35,000
Increase / (decrease) in current liabilities		
- Trade and other payables	(68,337)	(2,698,629)
	<u>(20,837)</u>	<u>(2,298,629)</u>
Cash used in operations	(520,184)	(3,173,708)
Finance cost paid	-	(7,875)
Net cash used in operating activities	<u>(520,184)</u>	<u>(3,181,583)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Long term loans	-	-
Net Cash used in investing activities	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	519,999	3,203,793
Net Cash generated from financing activities	<u>519,999</u>	<u>3,203,793</u>
Net (decrease) / increase in cash and cash equivalents	(185)	22,210
Cash and cash equivalents at the beginning of the period	48,296	41,730
	<u>48,111</u>	<u>63,940</u>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

  
 CHIEF EXECUTIVE

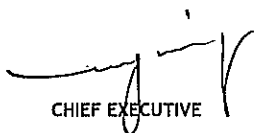
  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER


**CHAKWAL SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (Un-audited)**

Particulars	Share Capital	Accumulated Loss	Loan from Directors	Surplus on revaluation of property, plant & equipment	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2020	607,881,000	(784,259,887)	42,375,000	131,310,019	(2,693,868)
Net loss for the period	-	(12,449,891)	-	-	(12,449,891)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	1,218,083	-	(1,218,083)	-
<b>Balance as at September 30, 2020</b>	<b>607,881,000</b>	<b>(795,491,695)</b>	<b>42,375,000</b>	<b>130,091,936</b>	<b>(15,143,759)</b>
Balance as at July 01, 2021	607,881,000	(827,962,439)	42,375,000	126,437,687	(51,268,752)
Net loss for the period	-	(11,223,119)	-	-	(11,223,119)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	1,096,275	-	(1,096,275)	-
<b>Balance as at September 30, 2021</b>	<b>607,881,000</b>	<b>(838,089,283)</b>	<b>42,375,000</b>	<b>125,341,412</b>	<b>(62,491,871)</b>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**CHAKWAL SPINNING MILLS LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (Un-audited)**

**Note 1****The Company and its Operations**

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The Company was incorporated in Pakistan on January 31, 1988 as a Public Limited Company. Its shares are quoted on Pakistan Stock Exchanges Limited. The registered office of the Company is situated at 7/1, E-III, Main Boulevard Gulberg III, Lahore, While the production plants of the Company are located at 49-Km, Multan Road, Bhai Phero The Company is engaged in the business of textile spinning.

**Note 2****Basis of Preparation**

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**2.1 Statement of compliance**

These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June, 2021.
- This condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentational currency. The financial statements have been prepared under the historical cost convention. Figures have been rounded off to the nearest thousand rupee, unless stated otherwise.

**Note 3****Significant Accounting Policies**

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The accounting policies and methods of computation of the interim financial information are the same as those followed in the preparation of annual financial information for the preceding year ended June 30, 2021.

**Note 4****Accounting Estimates and Judgments**

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The accounting estimates and associated assumptions used in preparation of this condensed interim financial information are consistent with those applied in the preparation of annual financial statement of the Company Limited for the year ended June 30, 2021.

**Note 5****Contingencies and Commitments**

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There is no other significant change in the contingencies and commitments as reported in the last published audited financial statements for the year ended June 30, 2021.



Note 6 Property, Plant and Equipment	Quarter Ended Sep 30, 2021	Year Ended June 30, 2021
	(Un-audited) Rupees	(Audited) Rupees
Operating fixed assets	744,795,643	755,519,415
Opening written down value	755,519,415	801,787,161
Addition during the period / year (at cost)	-	-
Disposal during the period / year (written down value)	-	-
Depreciation charge for the period / year	(10,723,772)	(46,267,746)
Closing written down value	744,795,643	755,519,415

Note 7  
Transactions with Related Parties

The related parties and associated undertakings comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	Quarter Ended	
	Sep 30, 2021	Sep 30, 2020
	(Un-audited) Rs. In '000'	(Un-audited) Rs. In '000'
Significant transaction with related parties are as follows:		
- Loan received / (repaid) to directors - net	520	3,204

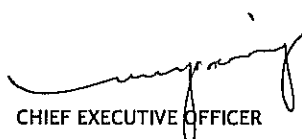
Note 8  
Financial Risk Management

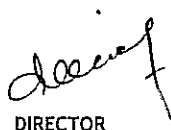
The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended June 30, 2021.

Note 9  
General

9.1 This interim financial information is authorized for issue on Apr 14, 2022 by the Board of Directors of the Company.

9.2 Corresponding figures have been re-arranged wherever necessary to facilitate comparison. No material rearrangement has been made during the period.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER