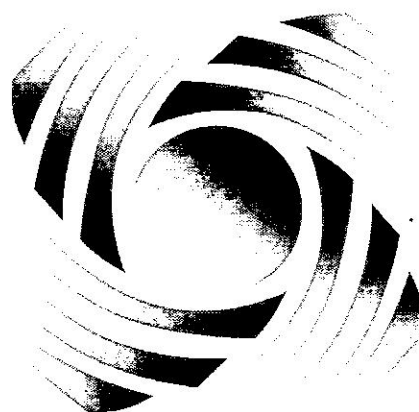


Quarterly Accounts
(Un-Audited)
For The Quarter Ended
September 30, 2019



CHAKWAL SPINNING MILLS LIMITED

Contents

Company information _____	(1)
Directors Report to Shareholders _____	(2)
Statement of Financial Position _____	(4)
Statement of Profit & Loss _____	(6)
Statement of Comprehensive Income _____	(7)
Statement of Cash Flow _____	(8)
Statement of Change in Equity _____	(9)
Notes to the Accounts _____	(10)
Jama Punji _____	(12)

CHAKWAL SPINNING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Khawaja Mohammad Jawed	(Chairman)
Khawaja Mohammad Kaleem	(Executive Director)
Khawaja Mohammad Jahangir	(Chief Executive Officer)
Khawaja Mohammad Tanveer	(Non-Executive Director)
Mr. Sheikh Maqbool Ahmed	(Independent Director)
Mr. Dasnish Tanveer	(Non-Executive Director)
Mst. Munaza Kaleem	(Non-Executive Director)
Mr. Mohammad Tariq Sufi	(Independent Director)

AUDIT COMMITTEE

Mr. Mohammad Tariq Sufi	(Chairman)
Khawaja Mohammad Jawed	(Member)
Mr. Dansih Tanveer	(Member)

HR & REMUNERATION COMMITTEE

Mr. Mohammad Tariq Sufi	(Chairman)
Khawaja Mohammad Tanveer	(Member)
Mst. Munaza Kaleem	(Member)

COMPANY SECRETARY

Mr. Nadeem Anwar	(ACA)
------------------	-------

CHIEF FINANCIAL OFFICER

Mr. Abdul Hye Khan Ghouri

BANKERS

Habib Metro Bank Limited
Allied Bank of Pakistan
MCB Bank Limited
The Bank of Punjab
Meezan Bank Limited

AUDITORS

Aslam Malik & Co.
Chartered Accountants
Suit # 18-19, 1st Floor,
Central Plaza, Civic Centre,
New Garden Town,
Lahore, Pakistan.

CORPORATE & REGISTERED OFFICE

7/1-E-3 Main Boulevard Gulberg III, Lahore

Tel : (042) 35717510

Fax : (042) 35755760

SHARE REGISTRARS

Corp link (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel : (042) 35839182
Fax : (042) 35869037

MILLS

49-Kilometer
Multan Road, Bhai Phero
Tel : (04943) 540083-4



CHAKWAL SPINNING MILLS LTD.



7/1, E-3, Main Boulevard, Gulberg - III, Lahore, Pakistan.
Tel: +92-42-35757108, 35717510 - 17 Fax: +92-42-35764036, 35764043, 35757105

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company are pleased to present their report together with the un-audited condensed interim financial statements for three months ended September 30, 2019.

During the period under review, the Company incurred a gross loss of Rs. 13.705 million as compared to gross loss of 6.194 million in the corresponding period. The Company incurred a net loss for the period of Rs. 32.846 million as compares to loss of Rs. 27.015 million during the comparative period.

Our sale is targeted in local market but with the imposition of sales tax the competitive edge of trader is vanished and local market has slumped which affected our sales revenue significantly. The Government has made made efforts to resuscitate the confidence of trader but current market environment is still uncertain.

The Government has previously promised to provide energy at subsidized rates but it remained unable to provide the benefits to industry which materially affect our energy cost and ultimately cause the increase in the production overheads and resultantly we faced gross loss during the current period.

The management is putting their best efforts to be competitive in the yarn market and to revive the previous period's sales pattern while focusing on controlling the overhead so that it could be able to earn sustainable profits margins in future.

The Board is thankful to the shareholders of the Company for their continued support to the Company and also wishes to express its gratitude to all the employees of the Company for their hard work, loyalty and dedication.

Lahore:
January 22, 2019


(Khawaja Mohammad Jawed)
Chairman

For and on behalf of the Board


(Khawaja Mohammad Jahangir)
Chief Executive Officer



CHAKWAL SPINNING MILLS LTD. ISO 9001:2000 CERTIFIED

7/1 E-3, Main Boulevard, Gulberg - III, Lahore, Pakistan.
Tel: +92 - 42 - 5757108, 5717510 - 17 Fax: +92 - 42 - 5764036, 5764043, 5757105
E.mail: bashirkhalid@chakwalgroup.com.pk

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز کی جانب سے 30 ستمبر 2019 پر اختتام شدہ سہ ماہی کے لیے غیر جانچ اور کنٹریف شدہ حسابات بشمول اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

زیغور سہ ماہی کے دوران کمپنی کا مجموعی خسارہ پچھلے دورانیہ کے 6.194 ملین مجموعی خسارے کے مقابلے میں اس سہ ماہی میں 13.705 ملین رہا۔ جبکہ کمپنی کا خالص خسارہ 32.846 ملین روپے رہا جو کہ پچھلے سال 27.015 ملین تھا۔ ہماری فرخت کا محور مقامی مارکیٹ ہے، ہیلتھ ٹیکس لاگو ہونے کی وجہ سے تاجروں کا منافع ختم ہو چکا ہے جس کی وجہ سے مقامی مارکیٹ بری طرح سے متاثر ہوئی ہے نتیجہ ہماری فروخت پر بھی اس کا منفی اثر پڑا۔ گورنمنٹ تاجروں کا اعتماد بحال کرنے کی کوشش کر رہی ہے لیکن مقامی مارکیٹ میں ابھی تک غیر یقینی کے بادل چھائے ہوئے ہیں۔ حکومت نے پچھلے دورانیہ میں ارزوں نرخوں پر توانائی فراہم کرنے کا وعدہ کیا تھا لیکن حکومت صنعت کو اس کے فوائد پوری طرح نہ پہنچا سکی جس کی وجہ سے ہماری توانائی کے اخراجات بڑھے جس کی وجہ سے ہمیں مجموعی خسارے کا سامنا کرنا پڑا۔ انتظامیہ اپنی بہترین کوشش کر رہی ہے کہ مقامی دھانگے کی مارکیٹ میں مقابلہ کے رجحان جاری رکھے اور اپنی فروخت کو پچھلے دورانیہ کی فرخت کی سطح تک لے جاسکے اور اس کے ساتھ ساتھ اپنے اخراجات کو قابو کرتے ہوئے مستقبل میں منافع کما سکے۔

بورڈ حصہ دران کے کمپنی پر مسلسل اعتماد کا شکر گزار ہے اور ساتھ ہی ساتھ ملازمین کا ان کی محنت، وفاداری اور جذبے کی وجہ سے ممنون ہے

منجانب بورڈ آف ڈائریکٹرز

خواجہ محمد جہانگیر

چیف ایگزیکٹو

خواجہ محمد جاوید

چیرمین

لاہور

22 جنوری 2020

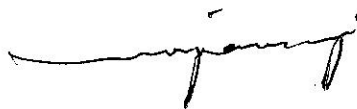
CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		September 30, 2019	June 30, 2019
	Note	(Un-audited) Rupees	(Audited) Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 140,000,000 (2019: 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		(771,075,353)	(739,172,120)
Surplus on revaluation of property, plant and equipment		135,753,245	136,695,748
		14,933,892	47,779,628
Non Current Liabilities			
Liabilities against asset subject to finance lease		-	-
Deferred liabilities		37,817,548	37,076,024
Current Liabilities			
Trade and other payables		483,727,265	388,364,531
Unclaimed dividend		384,347	384,347
Accrued mark- up		68,842,905	67,778,697
Short term borrowings		446,498,407	429,898,326
Current portion of non current liabilities		2,366,318	2,366,318
Provision for taxation		22,532,432	21,442,910
		1,024,351,674	910,235,129
Contingencies and Commitments	5	-	-
		1,077,103,114	995,090,781

CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		September 30, 2019	June 30, 2019
	Note	(Un-audited) Rupees	(Audited) Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	6	839,248,992	851,736,064
Long term loans		5,453,493	5,428,797
Long term deposits		27,839,744	27,839,744
		872,542,229	885,004,605
Current Assets			
Stores and spares		8,522,348	8,782,208
Stock in trade		107,983,312	7,008,281
Trade debts		12,158,482	43,725,804
Loans and advances		3,816,475	3,597,478
Tax refunds due from the government		60,552,410	36,345,436
Trade deposits, prepayments and other receivables		10,249,939	10,249,939
Cash and bank balances		1,277,919	377,030
		204,560,885	110,086,176
		1,077,103,114	995,090,781

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 AND LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (Un-audited)

	Quarter Ended	
	September 30, 2019	September 30, 2018
	Rupees	Rupees
Sales	72,634,793	235,324,501
Cost of sales	(86,340,305)	(241,518,360)
Gross Loss	(13,705,512)	(6,193,859)
Distribution cost	(1,103,484)	(1,638,487)
Administrative expenses	(15,877,129)	(8,694,793)
	(16,980,613)	(10,333,280)
Operating Loss	(30,686,125)	(16,527,139)
Finance cost	(1,070,089)	(7,546,788)
Loss before Taxation	(31,756,214)	(24,073,927)
Taxation	(1,089,522)	(2,941,556)
Net loss for the period	(32,845,736)	(27,015,483)
Loss per Share - Basic & Diluted	(0.27)	(0.22)

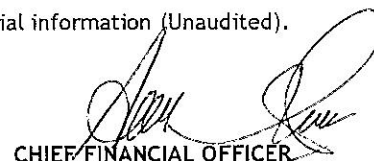
The annexed notes form an integral part of these condensed interim financial information (Unaudited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (Un-audited)

	Quarter Ended	
	September 30, 2019	September 30, 2018
	Rupees	Rupees
Net loss for the period	(32,845,736)	(27,015,483)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(32,845,736)	(27,015,483)

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, 2019 (Un-audited)

	Quarter Ended	
	September 30, 2019	September 30, 2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(31,756,214)	(24,073,927)
Adjustments for:		
- Depreciation	12,487,072	13,493,006
- Provision for gratuity	741,524	-
- Finance cost	1,070,089	7,546,788
	14,298,685	21,039,794
Operating loss before working capital changes	(17,457,529)	(3,034,133)
(Increase) / decrease in current assets		
- Stores and spares	259,860	(776,777)
- Stock in trade	(100,975,031)	8,663,772
- Trade debts	31,567,322	(27,389)
- Loans and advances	(218,997)	6,725,088
- Tax refunds due from the government	(24,206,974)	1,347,913
- Trade deposits, prepayments and other receivables	-	(7,000)
Increase / (decrease) in current liabilities		
- Trade and other payables	95,362,734	(19,304,407)
	1,788,914	(3,378,800)
Cash used in operations	(15,668,615)	(6,412,933)
Finance cost paid	(5,881)	(135,475)
Net cash used in operating activities	(15,674,496)	(6,548,408)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term loans	(24,696)	(177,102)
Long term deposits	-	(19,528,553)
Net Cash used in investing activities	(24,696)	(19,705,655)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	16,600,081	37,379,573
Net Cash generated from financing activities	16,600,081	37,379,573
Net increase in cash and cash equivalents	900,889	11,125,510
Cash and cash equivalents at the beginning of the period	377,030	1,003,878
	1,277,919	12,129,388

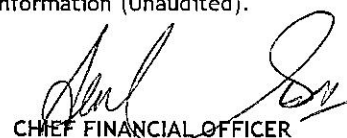
The annexed notes form an integral part of these condensed interim financial information (Unaudited).



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (Un-audited)

Particulars	Share Capital	Accumulated Profit / (Loss)	Loan from Directors	Surplus on revaluation of property, plant & equipment	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2018	200,000,000	(689,648,887)	450,256,000	140,797,695	101,404,808
Issuance of shares	407,881,000	-	(407,881,000)	-	-
Net loss for the period	-	(27,015,483)	-	-	(27,015,483)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	606,626	-	(606,626)	-
Balance as at September 30, 2018	607,881,000	(716,057,744)	42,375,000	140,191,069	74,389,325
Balance as at July 01, 2019	607,881,000	(739,172,120)	42,375,000	136,695,748	47,779,628
Net loss for the period	-	(32,845,736)	-	-	(32,845,736)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	942,503	-	(942,503)	-
Balance as at September 30, 2019	607,881,000	(771,075,353)	42,375,000	135,753,245	14,933,892

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, 2019 (Un-audited)

Note 1

The Company and its Operations

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

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, 2019.
- 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

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, 2019.

Note 4

Accounting Estimates and Judgments

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, 2019.

Note 5

Contingencies and Commitments

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, 2019.

Note 6 Property, Plant and Equipment	Quarter Ended Sep 30, 2019	Year Ended June 30, 2019
	(Un-audited) Rupees	(Audited) Rupees
Operating fixed assets	839,248,992	851,736,064
Opening written down value	851,736,064	905,708,090
Depreciation charge for the period / year	(12,487,072)	(53,972,026)
Closing written down value	839,248,992	851,736,064

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, 2019	Sep 30, 2018
	(Un-audited)	(Un-audited)
	Rs. In '000'	Rs. In '000'
Significant transaction with related parties are as follows:		

- Loan repaid to directors - net	(822)	(1,521)
----------------------------------	-------	---------

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, 2019.

Note 9
General

- 10.1 This interim financial information is authorized for issue on January 21, 2020 by the Board of Directors of the Company.
- 10.2 Corresponding figures have been re-arranged wherever necessary to facilitate comparison. No material rearrangement has been made during the period.

www.jamapunji.pk



سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

- 📄 Licensed Entities Verification
- 🔍 Scam meter*
- 🎮 Jamapunji games*
- 📊 Tax credit calculator*
- 🏢 Company Verification
- 📋 Insurance & Investment Checklist
- ?? FAQs Answered

- 📈 Stock trading simulator
(based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📱 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📖 Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

📄 jamapunji.pk

🐦 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices