

Half Yearly Report
Un-Audited
For The Period Ended
December 31, 2019



Chakwal Spinning Mills Limited

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)
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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

MILL

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

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Chakwal Spinning Mills Limited
Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Chakwal Spinning Mills Limited** as at December 31, 2019 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the three months period ended December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- a. Due to litigation short term borrowings amounting to Rs. 38.42 million could not be verified because we had not received the reply of direct confirmation from the Habib Metropolitan bank limited and the bank facility letter provided to us were also expired. There are no other satisfactory audit procedures that we could adopt to verify the outstanding bank balance. In the absence of any documentary evidence and alternative audit procedures, we are unable to obtain sufficient appropriate audit evidence to ascertain the existence, accuracy and obligation of the above mentioned balances.

Other Offices at:

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Phone : +92-51-2374282-3 Fax: +92-51-2374281

Karachi: 1001-1003 10th Floor, Chapal Plaza, Hasrat Mohani Road, Off I.I Chundrigar Road, Karachi
Tel: + 92-21-32425911-2, Fax: +92-21-32432134

- b. b) The company had not worked out and provided the amount of mark-up on the short term borrowings from Habib Metro Politian Bank Limited in these financial statements for the year ended June 30, 2019. Based on available underlying records, expired facility letter and non-confirmation of mark-up balances from banking companies, we were unable to determine with reasonable accuracy the impact on these financial statements of any disagreement with Banks.
- c. Unclaimed dividend of Rs. 384,347 (overdue) of previous years has not been deposited into government treasury nor has any notification been issued to shareholders.

Qualified Conclusion

Based on our review, except as stated in basis for qualified opinion section of our report, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty relating to Going Concern

Without qualifying our opinion, we draw attention to Note 1.2 in the interim financial statement which indicates that the company incurred net loss after tax of Rs. 117.63 million (December 31, 2018 Rs. 51.60 million) and at half year end its equity is negative by Rs. 69.85 million, its accumulated loss amounting to Rs. 854.91 million (June 30, 2019: 739.17 million) and its current liabilities exceeds its current assets by Rs. 891.73 (June 30, 2019: Rs. 800.15 million). These conditions along with other matters as set forth in Note 1.1 indicate the existence of a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern.

The engagement partner on the review resulting in this independent auditor's report is **Hafiz Muhammad Ahmad**.

Date : February 28, 2020
Place: Lahore



Aslam Malik & Co.
Aslam Malik & Co.
Chartered Accountants



CHAKWAL SPINNING MILLS LTD.



ISO 9001:2000
CERTIFIED

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

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 the half-year ended December 31, 2019.

During the period under review, the Company incurred a gross loss of Rs. 86.775 million as compared to gross loss of 12.583 million in the corresponding period. The Company incurred a net loss for the period of Rs. 117.628 million as compares to net loss of Rs. 51.595 million during the last half year.

Since Zero Rated Status of textile sector has been rescinded from new financial year and standard rate of sales tax is implemented to textile sector due to which our sales to un-registered person affected adversely resultantly downward trend can be observed in our sales. Due to low sales volume and huge cost of inputs (mainly raw material and energy cost), gross loss has been mounted up to this extent. Further devaluation of Pak-Rupee also adversely impacted our cost of production during the period.

Recently the Government has taken steps to improve the current state of textile sector by announcing a policy to provide energy at subsidized, if this policy is implemented it is expected that our energy cost will be reduced.

Auditors' have qualified the review report on certain matters which are explained below:

- Some portion of short term borrowing has could not be verified by the auditor. In response to auditor's confirmation the bank failed to accomplish its responsibility towards auditors i.e; to confirm outstanding balances.
- Markup on short term borrowing has not been accounted for due to fact that the company is in litigation with the bank and already accounted for sufficient mark-up as demanded by the bank in the recovery suit.
- We assure that we shall take measures as provided in the law for treatment of unclaimed dividends before the end of current financial year.

Auditors' observation regarding going concern has been disclosed in note no. 1 of the interim financial statements for the period ended December 31, 2019. 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.

For and on behalf of the Board

Lahore:

February 28, 2020

(Khawaja Mohammad Jawed)

Chairman

(Khawaja Mohammad Jahangir)

Chief Executive Officer



CHAKWAL SPINNING MILLS LTD.

TÜV
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ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز کی جانب سے 31 دسمبر 2019ء کے اختتام شدہ ششماہی کے غیر جانچ شدہ حسابات پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

اس دورانیہ کے دوران کمپنی کا مجموعی خسارہ پہلے سال کے 12.583 ملین روپے کا مجموعی خسارہ کے مقابلے میں 86.775 ملین روپے رہا۔ جبکہ خالص خسارہ 117.628 ملین رہا جو کہ پہلے سال کے دورانیہ میں 51.595 ملین رہا۔

نئے مالی سال سے ٹیکسٹائل کی صنعت پر بھی سٹینڈرڈ ریٹ سے سیلز ٹیکس عائد کر دیا گیا ہے جس کی وجہ سے ہماری فروخت پر بہت برا اثر پڑا ہے۔ فروخت میں کمی اور خام مال اور توانائی کی قیمتوں میں اضافے کی وجہ سے مجموعی خسارہ اس مقام تک پہنچ گیا۔ مزید براں پاکستانی روپے کی قدر میں کمی کی وجہ سے بھی ہماری پیداواری لاگت میں اضافہ ہو گیا ہے۔

حال ہی میں حکومت نے ٹیکسٹائل کی صنعت کے لیے ارزوں نرخوں پر توانائی فراہم کرنے کے لیے پالیسی کی ہے، اگر اس پر عملدرآمد ہوتا ہے تو ہماری توانائی کی لاگت کم ہو جائے گی۔

آڈیٹرز نے اپنی جائزہ رپورٹ میں مندرجہ ذیل معاملات پر اعتراض اٹھائے ہیں۔

(الف) قلیل المدتی قرضوں کچھ حصہ کی تصدیق نہ ہو سکی۔ آڈیٹرز کی کنفرمیشن کے جواب میں بینک اپنی ذمہ داری پوری طرح سے ادا کرنے میں ناکام رہا ہے۔

(ب) ششماہی دورانیہ میں سود کا خرچہ نہیں لیا گیا کیونکہ کمپنی کی بینک کے ساتھ عدالتی کارروائی جاری ہے اور کمپنی نے پہلے ہی واجب الادا سود کو بینک کی طرف سے دعویٰ کی گئی رقم کے مطابق ریکارڈ کیا ہوا ہے۔

(ج) ہم یقین دلاتے ہیں کہ ہم غیر دعویٰ شدہ منافع کے معاملے میں قانون کے مطابق اقدامات کریں گے۔ کمپنی کا کاروبار جاری رہنے کے متعلق آڈٹ مشاہدوں کا مالی حسابی کے نوٹ نمبر 1 میں انکشاف کیا گیا ہے۔ کمپنی کے ملازمین کی مسلسل وفاداری لگن اور ہر سطح پر اچھے تعلقات تعریف کے مستحق ہیں۔

خواجہ محمد جہانگیر

چیف ایگزیکٹو آفیسر

خواجہ محمد جاوید

چیرمین

لاہور

28-02-2020

CHAKWAL SPINNING MILLS LIMITED

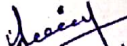
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2019

	Note	December 31, 2019 (Un-audited) Rupees	June 30, 2019 (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	5	42,375,000	42,375,000
Accumulated loss		(854,914,744)	(739,172,120)
Surplus on revaluation of property, plant and equipment		134,810,743	136,695,748
		(69,848,001)	47,779,628
Non Current Liabilities			
Liabilities against asset subject to finance lease		-	-
Deferred liabilities		38,151,234	37,076,024
Current Liabilities			
Trade and other payables		634,376,888	388,364,531
Unclaimed dividend		384,347	384,347
Accrued mark- up		69,828,204	67,778,697
Short term borrowings		427,464,072	429,898,326
Current portion of non current liabilities		2,366,318	2,366,318
Provision for taxation		23,652,931	21,442,910
		1,158,072,760	910,235,129
Contingencies and Commitments			
	5	-	-
		1,126,375,993	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 FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2019

	Note	December 31, 2019 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	6	826,761,613	851,736,064
Long term loans		5,428,797	5,428,797
Long term deposits		27,839,744	27,839,744
		860,030,154	885,004,605
Current Assets			
Stores and spares		8,746,067	8,782,208
Stock in trade		127,907,909	7,008,281
Trade debts		37,158,482	43,725,804
Loans and advances		3,894,242	3,597,478
Tax refunds due from the government		77,281,102	36,345,436
Trade deposits, prepayments and other receivables		10,249,939	10,249,939
Cash and bank balances		1,108,098	377,030
		266,345,839	110,086,176
		<u>1,126,375,993</u>	<u>995,090,781</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 PROFIT AND LOSS (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
Sales - net	149,535,879	505,781,793	76,901,086	270,457,292
Cost of sales	(236,311,309)	(518,364,993)	(149,971,004)	(276,846,633)
Gross Loss	(86,775,430)	(12,583,200)	(73,069,918)	(6,389,341)
Distribution cost	(1,954,118)	(3,267,414)	(850,634)	(1,628,927)
Administrative expenses	(24,572,051)	(14,828,301)	(8,694,922)	(6,133,508)
	(26,526,169)	(18,095,715)	(9,545,556)	(7,762,435)
Operating Loss	(113,301,599)	(30,678,915)	(82,615,474)	(14,151,776)
Finance cost	(2,116,009)	(15,797,752)	(1,045,920)	(8,250,964)
Other operating income	-	1,203,336	-	1,203,336
Loss before Taxation	(115,417,608)	(45,273,331)	(83,661,394)	(21,199,404)
Taxation	(2,210,021)	(6,322,272)	(1,120,499)	(3,380,716)
Loss for the period	(117,627,629)	(51,595,603)	(84,781,893)	(24,580,120)
Loss per Share - Basic & Diluted	(0.97)	(0.42)	(0.70)	(0.20)



CHIEF EXECUTIVE OFFICER



DIRECTOR



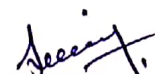
CHIEF FINANCIAL OFFICER

CHAKWAL SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees		
Loss for the period	(117,627,629)	(51,595,603)	(84,781,893)	(24,580,120)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(117,627,629)</u>	<u>(51,595,603)</u>	<u>(84,781,893)</u>	<u>(24,580,120)</u>


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

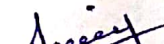
CHAKWAL SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half Year Ended	
	December 31, 2019	December 30, 2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(115,417,608)	(45,273,331)
Adjustments for:		
- Depreciation	24,974,451	26,986,011
- Provision for gratuity	1,075,210	-
- Finance cost	2,116,009	15,797,752
	28,165,670	42,783,763
Operating loss before working capital changes	(87,251,938)	(2,489,568)
(Increase) / decrease in current assets		
- Stores and spares	36,141	(1,330,362)
- Stock in trade	(120,899,628)	6,467,033
- Trade debts	6,567,322	(124,766)
- Loans and advances	(296,764)	(25,468,409)
- Sales tax refundable	(40,917,301)	3,610,773
- Trade deposits, prepayments and other receivables	-	(7,000)
Increase / (decrease) in current liabilities		
- Trade and other payables	246,012,357	(2,691,021)
	90,502,127	(19,543,752)
Cash generated from / (used in) operations	3,250,189	(22,033,320)
Finance cost paid	(66,502)	(179,354)
Income tax paid	(18,365)	(1,341,076)
Net cash generated from / (used in) operating activities	3,165,322	(23,553,750)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term loans	-	(758,606)
Long term deposits	-	(19,528,553)
Net cash used in investing activities	-	(20,287,159)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	(2,434,254)	43,307,202
Net Cash (used in) / generated from financing activities	(2,434,254)	43,307,202
Net increase / (decrease) in cash and cash equivalents	731,068	(533,707)
Cash and cash equivalents at the beginning of the period	377,030	1,003,878
	1,108,098	470,171


CHIEF EXECUTIVE


DIRECTOR

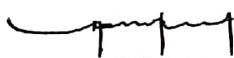

CHIEF FINANCIAL OFFICER

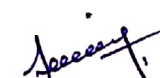
CHAKWAL SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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	-	-
Loss for the period	-	(51,595,603)	-	-	(51,595,603)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	1,213,252	-	(1,213,252)	-
Balance as at December 31, 2018	(207,881,000)	(740,031,238)	858,137,000	139,584,443	49,809,205
Balance as at July 01, 2019	607,881,000	(739,172,120)	42,375,000	136,695,748	47,779,628
Loss for the period	-	(117,627,629)	-	-	(117,627,629)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	1,885,005	-	(1,885,005)	-
Balance as at December 31, 2019	607,881,000	(854,914,744)	42,375,000	134,810,743	(69,848,001)


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CHAKWAL SPINNING MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Note 1

The Company and its Operations

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- 1.1 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.
- 1.2 During the half year ended December 31, 2019, Company has incurred loss after tax of Rs. 117.628 million (December 31, 2018: Rs. 51.596 million) and at half year end and as of the year end, its accumulated losses stood at Rs. 854.915 million (June 30, 2019: 739.172 million), its current liabilities exceed its current assets by Rs. 891.727 million (at June 30, 2019: Rs. 800.149 million). The Company in order to carry on its business and to meet its current obligation requires generating sufficient cash flows. Accordingly there is a material uncertainty relating to the Company's operation that may cast sufficient doubt on the discharge of its liabilities in the normal course of business. Continuation of the Company as a going concern is dependent on improved cash flows. For this purpose the management of the Company has drawn up plans which include:-

The Government has planned to provide energy at subsidized rates to textile industry; if the government takes immediate steps in this regard, it is expected the our energy cost will reduced with respect to prior periods.

- The management is putting its efforts on product diversification which will enhance its sales revenue. The management is also focusing to enhance productive efficiency along with quality of its products, which will lead to sustainable operating profitability for the Company.
- The directors of the Company are committed to provide their support to stabilize the financial conditions of the Company and to cope-with liquidity crisis which is currently faced by the management.
- Recently the export market is showing positive signs which is evident from upward trend of textile exports mainly in the European Region. The management is making arrangements with prospective clients for export of its products and negotiating the best possible margins, the management is confident that it's efforts will be paid off.

Note 2

Basis of Preparation

2.1 Statement of compliance

These condensed interim financial statements has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

CHAKWAL SPINNING MILLS LIMITED
Notes to and Forming Part of the Financial Statements

Note 2 - Basis of Preparation - Continued...

- 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 adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2019, except as disclosed below:

Changes in Accounting Policies- IFRS 16

Effective July 1, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 Operating Leases-Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessee. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

The Company did not have any property leases arrangement therefore, adoption of IFRS 16 as at July 01, 2019 did not have any effect on the condensed interim financial information of the Company except the reclassification of leased asset as Right-of-use assets (refer note 6).

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.

CHAKWAL SPINNING MILLS LIMITED
Notes to and Forming Part of the Financial Statements

Note 6

Property, Plant and Equipment

		Half Year Ended Dec 31, 2019 (Un-audited) Rupees	Year Ended June 30, 2019 (Audited) Rupees
	Note		
Operating Assets	6.1	808,542,525	851,736,064
Right of use-of-assets	6.2	18,219,088	-
		<u>826,761,613</u>	<u>851,736,064</u>

6.1 Operating Assets

Opening written down value	851,736,064	905,708,090
Depreciation charge for the period / year	(24,974,451)	(53,972,026)
Right Of Use Assets	(18,219,088)	-
Closing written down value	<u>808,542,525</u>	<u>851,736,064</u>

6.2 Right of Use Assets

Opening Balance	-	-
Transfer from operating assets	18,686,244	-
Depreciation charged during the period	(467,156)	-
	<u>18,219,088</u>	<u>-</u>

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:

	Half Year Ended	
	Dec 31, 2019	Dec 31, 2018
	(Un-audited)	(Un-audited)
	Rs. In '000'	Rs. In '000'

Significant transaction with related parties are as follows:

- Loan received from directors - net	499	13,593
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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

- 9.1 This interim financial information is authorized for issue on February 28, 2020 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

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