



CHAKWAL SPINNING MILLS LTD.



ISO 9001:2000
CERTIFIED

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Directors Report to the shareholders

We are pleased on behalf of the Board of Directors of the company to submit un-audited account for the 1st quarter ended September 30, 2020.

Aftermath of covid-19 since last year the operation of the company has been halted due to working capital and liquidity constraints. The company which was already facing difficult period due to heavy losses faced by the company before the covid -19 has to face ultimate closure of operation. Although the industry has got the momentum of stability and growth/boom with the help of incentive and relief given by the present Government. The directors of the company are optimistic and hopeful to be a part of this main stream by resuming the operational activities.

The directors of the company would like to share at this moment with their worth members, banks and creditors that we are striving hard and chasing every possible option and possibility to make the operations resume in all possible manner. The directors of your company are confident we shall make the things possible very early.

The directors of the company also wish to place on record their thanks to all stakeholders for their continued support in the difficult period and we believe we shall come out from bad days.

July 07, 2021
Lahore

Khawja Mohammad Jahangir
Chief Executive Officer

On behalf of the Board

Khawja Mohammad Jawed
Chairman



CHAKWAL SPINNING MILLS LIMITED

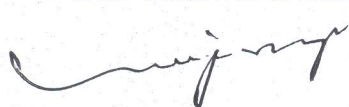
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital		700,000,000	700,000,000
140,000,000 (2020: 140,000,000) ordinary shares of Rs. 5 each			
Issued, subscribed and paid up share capital		607,881,000	607,881,000
Loan from directors		42,375,000	42,375,000
Accumulated loss		(795,491,695)	(784,259,887)
Surplus on revaluation of property, plant & equipment		130,091,936	131,310,019
		(15,143,759)	(2,693,868)
Non Current Liabilities			
Deferred liabilities		-	-
Current Liabilities			
Trade and other payables		326,714,170	329,412,646
Accrued mark- up		67,778,697	67,778,697
Short term borrowings		429,246,882	426,043,089
Current portion of non current liabilities		37,742,792	37,742,792
Unclaimed dividend		384,347	384,347
Provision for taxation		10,232,349	10,232,349
		872,099,237	871,593,920
Contingencies and Commitments			
	5	-	-
		856,955,478	868,900,052
ASSETS			
Non Current Assets			
Property, plant and equipment	6	790,220,377	801,787,161
Long term loans		712,766	712,766
Long term deposits		27,839,744	27,839,744
		818,772,887	830,339,671
Current Assets			
Stores and spares		-	-
Stock in trade		-	-
Trade debts		568,497	933,497
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		9,322,935	9,357,935
Cash and bank balances		63,940	41,730
		38,182,591	38,560,381
		856,955,478	868,900,052

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, 2020 (Un-audited)

	Quarter Ended	
	September 30, 2020	September 30, 2019
	Rupees	Rupees
Sales	-	72,634,793
Cost of sales	(11,446,064)	(86,340,305)
Gross Loss	(11,446,064)	(13,705,512)
Distribution cost	-	(1,103,484)
Administrative expenses	(995,952)	(15,877,129)
	(995,952)	(16,980,613)
Operating Loss	(12,442,016)	(30,686,125)
Finance cost	(7,875)	(1,070,089)
Loss before Taxation	(12,449,891)	(31,756,214)
Taxation	-	(1,089,522)
Net loss for the period	(12,449,891)	(32,845,736)
Loss per Share - Basic & Diluted	(0.10)	(0.27)

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, 2020 (Un-audited)

	Quarter Ended	
	September 30, 2020 Rupees	September 30, 2019 Rupees
Net loss for the period	(12,449,891)	(32,845,736)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	<u>(12,449,891)</u>	<u>(32,845,736)</u>

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

CHIEF EXECUTIVE OFFICER

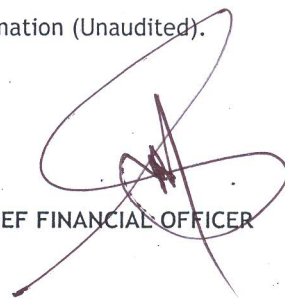


DIRECTOR

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CHIEF FINANCIAL OFFICER



CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (Un-audited)

	Quarter Ended	
	September 30, 2020	September 30, 2019
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(12,449,891)	(31,756,214)
Adjustments for:		
- Depreciation	11,566,937	12,487,072
- Provision for gratuity	-	741,524
- Finance cost	7,875	1,070,089
	11,574,812	14,298,685
Operating loss before working capital changes	(875,079)	(17,457,529)
(Increase) / decrease in current assets		
- Stores and spares	-	259,860
- Stock in trade	-	(100,975,031)
- Trade debts	365,000	31,567,322
- Loans and advances	-	(218,997)
- Tax refunds due from the government	-	(24,206,974)
- Trade deposits, prepayments and other receivables	35,000	-
Increase / (decrease) in current liabilities		
- Trade and other payables	(2,698,629)	95,362,734
	(2,298,629)	1,788,914
Cash used in operations	(3,173,708)	(15,668,615)
Finance cost paid	(7,875)	(5,881)
Net cash used in operating activities	(3,181,583)	(15,674,496)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term loans	-	(24,696)
Net Cash used in investing activities		(24,696)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	3,203,793	16,600,081
Net Cash generated from financing activities	3,203,793	16,600,081
Net increase in cash and cash equivalents	22,210	900,889
Cash and cash equivalents at the beginning of the period	41,730	377,030
	63,940	1,277,919

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, 2020 (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, 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
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)	-
Balance as at September 30, 2020	607,881,000	(795,491,695)	42,375,000	130,091,936	(15,143,759)

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

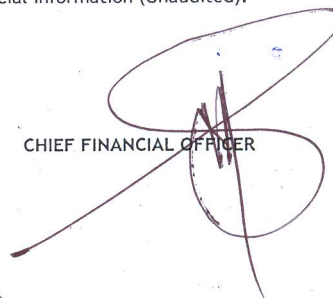
CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER




CHAKWAL SPINNING MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (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, 2020.

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, 2020.

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, 2020.

Note 6 Property, Plant and Equipment	Quarter Ended Sep 30, 2020	Year Ended June 30, 2020
	(Un-audited)	(Audited)
	Rupees	Rupees
Operating fixed assets	790,220,377	801,787,161
Opening written down value	801,787,161	851,736,064
Addition during the period / year (at cost)	-	-
Revaluation adjustment	-	-
Disposal during the period / year (written down value)	-	-
	801,787,161	851,736,064
Depreciation charge for the period / year	(11,566,937)	(49,948,903)
Closing written down value	790,220,224	801,787,161

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, 2020	Sep 30, 2019
	(Un-audited)	(Un-audited)
	Rs. In '000'	Rs. In '000'

Significant transaction with related parties are as follows:

- Loan received / repaid to directors - net	3,204	(822)
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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, 2020.

Note 9

General

10.1 This interim financial information is authorized for issue on July 07, 2021 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.