

**CHAKWAL SPINNING MILLS
LIMITED**

**FOR THE 1st QUARTER ENDED
SEPTEMBER 30, 2023**



CHAKWAL SPINNING MILLS LTD.



**ISO 9001:2000
CERTIFIED**

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Directors' Report to the Members

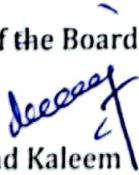
The Directors of the company are pleased to present the quarterly accounts for the period ended September 30, 2023.

The management of the Company was intended to resume production activities of the Company but unfortunately our economy is facing worse ever financial crisis of its history, the depilated economic conditions of our country with high inflation, rapid devaluation of Pak Rupee and depressed market both locally and internationally has made the textile industry an ill-fated sector. The country need consistent economic and textile policies which shall benefit the growth of industry. The industry is dependent on subsidy in power but the Government has withdrawn all concession to ailing industry which shall prove a nail in the coffin.

However, the management of the company believes that things will get improved for which it is planning to induce potential investors who will provide cash flows whereas the management will be responsible for all the production and administration functions. However, all these arrangements are in pipeline and it is expected that management could be able to get positive outcomes during the next period. Further, the Directors of the company also intended to settle and restructure its outstanding financing facilities with the bank on soft terms best suited to the company.

The management recognize its responsibility toward members and all stake holders of the company. The management assures that it will succeed to get rhythm to put the company on operational activities with sustainability.

For and on behalf of the Board


Khawaja Mohammad Kaleem
Director

October 29, 2023

CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited) Rupees	June 30, 2023 (Audited) Rupees
CAPITAL AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital 140,000,000 (2023: 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	(902,681,468)	(893,697,878)
Surplus on revaluation of property, plant & equipment	117,218,142	118,116,081
	(135,207,326)	(125,325,797)
Non Current Liabilities		
Deferred liabilities		
Current Liabilities		
Trade and other payables	278,690,229	282,547,818
Accrued mark-up	67,778,697	67,778,697
Short term borrowings	464,044,024	463,694,024
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
	858,872,283	862,379,872
Contingencies and Commitments	5	-
	723,664,958	737,054,076
ASSETS		
Non Current Assets		
Property, plant and equipment	663,579,150	672,820,222
Long term loans	712,766	712,766
Long term deposits	27,839,744	27,839,744
	692,131,660	701,372,732
Current Assets		
Trade debts	324,607	324,607
Loans and advances	4,346,292	8,493,899
Tax refunds due from the government	23,880,927	23,880,927
Trade deposits, prepayments and other receivables	2,929,716	2,929,716
Cash and bank balances	51,756	52,195
	31,533,298	35,681,344
	723,664,958	737,054,076

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, 2023 (Un-audited)

	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
Sales	-	-
Cost of sales	(9,172,458)	(9,868,123)
Gross Loss	(9,172,458)	(9,868,123)
Distribution cost	-	-
Administrative expenses	(708,630)	(602,305)
Operating Loss	(9,881,088)	(10,470,428)
Finance cost	(441)	(287)
Other Income	-	5,548,925
Loss before Taxation	(9,881,529)	(4,921,790)
Taxation	-	-
Net loss for the period	(9,881,529)	(4,921,790)
Loss per Share - Basic & Diluted	(0.08)	(0.04)

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 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (Un-audited)

	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
Net loss for the period	(9,881,529)	(4,921,790)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	<u>(9,881,529)</u>	<u>(4,921,790)</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, 2023 (Un-audited)

	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(9,881,529)	(4,921,790)
Adjustments for:		
- Depreciation	9,241,072	9,950,707
Operating loss before working capital changes	9,241,072	9,950,707
	(640,457)	5,028,917
(Increase) / decrease in current assets		
- Trade debts	-	4,677,607
- Trade deposits, prepayments and other receivables	-	-
Increase / (decrease) in current liabilities		
- Trade and other payables	(3,857,589)	(4,830,738)
	290,018	(153,131)
Cash used in operations	(350,439)	4,875,786
Finance cost paid	-	-
Net cash used in operating activities	(350,439)	4,875,786
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term loans	-	-
Net Cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	350,000	(4,867,051)
Net Cash generated from financing activities	350,000	(4,867,051)
Net (decrease) / increase in cash and cash equivalents	(439)	8,735
Cash and cash equivalents at the beginning of the period	52,195	47,985
	51,756	56,720

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, 2023 (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, 2022	607,881,000	(866,848,717)	42,375,000	122,069,853	(94,522,864)
Net loss for the period	-	(4,921,790)	-	-	(4,921,790)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	992,028	-	(992,028)	-
Balance as at September 30, 2022	607,881,000	(870,778,479)	42,375,000	121,077,825	(99,444,654)
Balance as at July 01, 2023	607,881,000	(893,697,878)	42,375,000	118,116,081	(125,325,797)
Net loss for the period	-	(9,881,529)	-	-	(9,881,529)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	897,939	-	(897,939)	-
Balance as at September 30, 2023	607,881,000	(902,681,468)	42,375,000	117,218,142	(135,207,326)

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, 2023 (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, 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**

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, 2023.

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, 2023.

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, 2023.

Note 6 Property, Plant and Equipment	Quarter Ended Sep 30, 2023	Year Ended June 30, 2023
	(Un-audited) Rupees	(Audited) Rupees
Operating fixed assets	663,579,150	672,820,222
Opening written down value	672,820,222	712,623,708
Addition during the period / year (at cost)	-	-
Disposal during the period / year (written down value)	-	-
Depreciation charge for the period / year	(9,241,072)	(39,803,486)
Closing written down value	663,579,150	672,820,222

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, 2023	Sep 30, 2022
	(Un-audited) Rs. In '000'	(Un-audited) Rs. In '000'
Significant transaction with related parties are as follows:		
- Loan received / (repaid) to directors - net	(350)	(4,867)

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, 2023.

Note 9
General

- 9.1 This interim financial information is authorized for issue on Nov 29, 2023 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