

QUARTERLY REPORT

UN- AUDITED

NINE MONTHS ENDED

MARCH 31, 2024



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
Email: ksml@pol.com.pk

Directors' Report to the Members of the Company


The company's directors are pleased to submit their report, along with the unaudited condensed interim financial statements, for the nine months ended March 31, 2024.

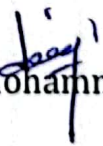
Despite the adversities of the business landscape, our management team has demonstrated unwavering commitment to rejuvenating our operations. Through substantial measures and strategic arrangements, we have ensured our viability. These efforts have not only dispelled uncertainties but also reinvigorated our journey toward operational continuity.

We are pleased to inform the members that the merger talks between our Company and an IT company are making progress. Both sides exchange requisite information for this purpose. This merger, if it succeeds, will enable the Company to overcome any obstacles during the cession period and explore the new exciting IT market.

We would like to express our gratitude to the company's members, lenders, employees, regulators, and all stakeholders for their patience and support during this period. The Board recognizes that the confidence shown by the company's members has been instrumental in the company's success.

For and on behalf of the Board,


Khawaja Mohammad Jahangir
Chief Executive Officer


Khawaja Mohammad Kaleem
Director

CHAKWAL SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2024

| | Note | March 31, 2024 (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 | 5 | 118,776,547 | 42,375,000 |
| Accumulated loss | | (1,361,367,853) | (893,697,878) |
| Surplus on revaluation of property, plant and equipment | | 1,609,147,879 | 118,116,081 |
| | | 974,437,573 | (125,325,797) |
| Non Current Liabilities | | | |
| Deferred liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | | 682,826,336 | 282,547,818 |
| Unclaimed dividend | | 384,347 | 384,347 |
| Accrued mark- up | | 67,778,697 | 67,778,697 |
| Short term borrowings | | 386,937,515 | 463,694,024 |
| Current portion of non current liabilities | | 37,808,039 | 37,742,792 |
| Provision for taxation | | 10,232,194 | 10,232,194 |
| | | 1,185,967,128 | 862,379,872 |
| Contingencies and Commitments | 6 | - | - |
| | | 2,160,404,701 | 737,054,076 |
| ASSETS | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 7 | 2,095,791,555 | 672,820,222 |
| Long term loans | | 747,766 | 712,766 |
| Long term deposits | | 27,839,744 | 27,839,744 |
| | | 2,124,379,065 | 701,372,732 |
| Current Assets | | | |
| Stores and spares | | - | - |
| Stock in trade | | - | - |
| Trade debts | | 324,607 | 324,607 |
| Loans and advances | | 9,262,190 | 8,493,899 |
| Tax refunds due from the government | | 23,880,927 | 23,880,927 |
| Trade deposits, prepayments and other receivables | | 2,500,000 | 2,929,716 |
| Cash and bank balances | | 57,912 | 52,195 |
| | | 36,025,636 | 35,681,344 |
| | | 2,160,404,701 | 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 (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

| | Nine Months Ended | | Quarter Ended | |
|----------------------------------|-------------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| | Rupees | Rupees | Rupees | Rupees |
| Sales | - | - | - | - |
| Cost of sales | (92,002,193) | (29,635,990) | (73,657,276) | (9,899,764) |
| Gross Loss | (92,002,193) | (29,635,990) | (73,657,276) | (9,899,764) |
| Distribution cost | - | - | - | - |
| Administrative expenses | (2,453,127) | (1,765,471) | (223,767) | (232,751) |
| Operating Loss | (94,455,320) | (31,401,461) | (73,881,043) | (10,132,515) |
| Other operating expenses | - | - | - | - |
| Finance cost | (1,049,629) | (1,137) | (1,248) | (697) |
| Other operating income | 3,686,940 | 11,339,199 | 766,394 | 1,240,169 |
| Loss before Taxation | (91,818,009) | (20,063,399) | (73,115,897) | (8,893,043) |
| Taxation | - | - | - | - |
| Loss for the period | (91,818,009) | (20,063,399) | (73,115,897) | (8,893,043) |
| Loss per Share - Basic & Diluted | (0.76) | (0.17) | (0.60) | (0.07) |


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

CHAKWAL SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

| | Nine Months Ended | | Quarter Ended | |
|---|---------------------|---------------------|---------------------|--------------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| | Rupees | Rupees | Rupees | Rupees |
| Loss for the period | (91,818,009) | (20,063,399) | (73,115,897) | (8,893,043) |
| Other comprehensive income for the period | - | - | - | - |
| <i>Items that will not be reclassified to profit or loss:</i> | | | | |
| Impairment loss on property, plant & equipment | - | - | - | - |
| Total comprehensive loss for the period | <u>(91,818,009)</u> | <u>(20,063,399)</u> | <u>(73,115,897)</u> | <u>(8,893,043)</u> |



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CHAKWAL SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2024

| | Nine Months Ended | |
|--|-------------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| | Rupees | Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (91,818,009) | (20,063,399) |
| Adjustments for: | | |
| - Depreciation | 92,208,499 | 29,884,081 |
| - Finance cost | 1,049,629 | 1,137 |
| Operating profit before working capital changes | (306,741,872) | 29,885,218 |
| | (398,559,881) | 9,821,819 |
| (Increase) / decrease in current assets | | |
| - Loans and advances | (768,291) | (268,291) |
| - Trade deposits, prepayments and other receivables | 429,716 | 6,340,035 |
| Increase in current liabilities | | |
| - Trade and other payables | 400,278,518 | (5,178,173) |
| Cash generated from operations | 399,939,943 | 893,571 |
| | 1,380,062 | 10,715,390 |
| Finance cost paid | (1,049,630) | 161 |
| Net cash generated from operating activities | 330,432 | 10,715,551 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Long term loans | (35,000) | - |
| Net cash used in investing activities | (35,000) | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Short term borrowings - net | (289,715) | (10,715,551) |
| Net Cash used in financing activities | (289,715) | (10,715,551) |
| Net increase / (decrease) in cash and cash equivalents | 5,717 | - |
| Cash and cash equivalents at the beginning of the period | 52,195 | 52,532 |
| | 57,912 | 52,532 |


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CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2024

| 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, 2022 | 607,881,000 | (866,848,717) | 42,375,000 | 122,069,853 | (94,522,864) |
| Loss for the period | | (20,063,399) | | - | (20,063,399) |
| Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax | - | 1,568,773 | - | (1,568,773) | - |
| Balance as at March 31, 2023 | 607,881,000 | (885,343,343) | 42,375,000 | 120,501,080 | (114,586,263) |
| Balance as at July 01, 2023 | 607,881,000 | (1,293,697,878) | 42,375,000 | 118,116,081 | (525,325,797) |
| Conversion of Directors' Loan from Short term | - | - | 76,401,547 | | 76,401,547 |
| Impact of revaluation | | | | 1,515,179,832 | 1,515,179,832 |
| Loss for the period | - | (91,818,009) | - | - | (91,818,009) |
| Other comprehensive loss for the Year | - | - | - | - | - |
| Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax | - | 24,148,034 | - | (24,148,034) | - |
| Balance as at March 31, 2024 | 607,881,000 | (1,361,367,853) | 118,776,547 | 1,609,147,879 | 974,437,573 |


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DIRECTOR


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CHAKWAL SPINNING MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2024

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 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:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are presented in Pak rupees, which is the Company's functional and presentation currency. These condensed financial statements do not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2023.

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 | Nine Months Ended March 31, 2024 | Year Ended June 30, 2023 |
|---|-------------------------------------|-----------------------------|
| | (Un-audited) Rupees | (Audited) Rupees |
| Opening written down value | 672,820,222 | 712,623,708 |
| Revaluation adjustment | 1,515,179,832 | - |
| Impairment | - | - |
| | <u>2,188,000,054</u> | <u>712,623,708</u> |
| Depreciation charge for the period / year | (92,208,499) | (39,803,486) |
| Closing written down value | <u>2,095,791,555</u> | <u>672,820,222</u> |

Note 8
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:

| | Nine Months Ended | |
|--|-------------------|--------------|
| | Mar 31, 2024 | Mar 31, 2023 |
| | (Un-audited) | (Un-audited) |
| | Rs. In '000' | Rs. In '000' |

Significant transaction with related parties are as follows:

| | | |
|--------------------------------------|-------|----------|
| - Loan received from directors - net | (908) | (10,716) |
|--------------------------------------|-------|----------|

Note 9
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 10
General

10.1 This interim financial information is authorized for issue on April 30, 2024 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.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER