

QUARTERLY REPORT

UN - AUDITED

QUARTER ENDED

SEPTEMBER 30, 2022

CHAKWAL SPINNING MILLS LTD



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, 2022.

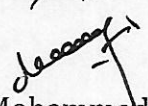
The management of the Company is committed to resuming production activities for which it is considering various options. Such as joint venture with established textile units that are interested in utilizing the spinning unit's production facilities or inducing potential investors who will provide cash 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.

Meanwhile, our economy is suffering due to flash floods in the first quarter which caused huge financial losses in the shape of damaging infrastructure and sabotaging agricultural produce and livestock. Pakistan has to face severe inflation in the upcoming period due to a shortage of raw material which has to be imported from foreign countries. The imported raw material will consequently increase the cost to do business and lead to further problems for the struggling industry.

The management considers that this financial year would be tough for our economy however we should have to be resilient to overcome these hardships. The management believes that its efforts will be matured and would again get the momentum of continued business operations.

The directors of the company pay special thanks to its members, employees and other people engaged with the company for their continued support and prayers in this difficult time.

For and on behalf of the Board


Khawaja Mohammad Kaleem
Director

October 29, 2022

CHAKWAL SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

	Note	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
140,000,000 (2022: 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		(870,778,479)	(866,848,717)
Surplus on revaluation of property, plant & equipment		121,077,825	122,069,853
		(99,444,654)	(94,522,864)
Non Current Liabilities			
Deferred liabilities		-	-
Current Liabilities			
Trade and other payables		277,165,207	281,995,945
Accrued mark- up		67,778,697	67,778,697
Short term borrowings		475,220,908	480,087,959
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
		868,524,145	878,221,934
Contingencies and Commitments			
	5	-	-
		769,079,492	783,699,071
ASSETS			
Non Current Assets			
Property, plant and equipment	6	702,673,001	712,623,708
Long term loans		712,766	712,766
Long term deposits		27,839,744	27,839,744
		731,225,511	741,176,218
Current Assets			
Trade debts		324,607	324,607
Loans and advances		4,316,292	8,993,899
Tax refunds due from the government		23,880,927	23,880,927
Trade deposits, prepayments and other receivables		9,275,435	9,275,435
Cash and bank balances		56,720	47,985
		37,853,981	42,522,853
		769,079,492	783,699,071

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, 2022 (Un-audited)

	Quarter Ended	
	September 30, 2022	September 30, 2021
	Rupees	Rupees
Sales	-	-
Cost of sales	(9,868,123)	(10,624,057)
Gross Loss	(9,868,123)	(10,624,057)
Distribution cost	-	-
Administrative expenses	(602,305)	(599,062)
Operating Loss	(10,470,428)	(11,223,119)
Finance cost	(287)	-
Other Income	5,548,925	-
Loss before Taxation	(4,921,790)	(11,223,119)
Taxation	-	-
Net loss for the period	(4,921,790)	(11,223,119)
Loss per Share - Basic & Diluted	(0.04)	(0.09)

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, 2022 (Un-audited)

	Quarter Ended	
	September 30, 2022	September 30, 2021
	Rupees	Rupees
Net loss for the period	(4,921,790)	(11,223,119)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	<u>(4,921,790)</u>	<u>(11,223,119)</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, 2022 (Un-audited)

	Quarter Ended	
	September 30, 2022	September 30, 2021
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(4,921,790)	(11,223,119)
Adjustments for:		
- Depreciation	9,950,707	10,723,772
Operating loss before working capital changes	9,950,707	10,723,772
	5,028,917	(499,347)
(Increase) / decrease in current assets		
- Loans and advances	4,677,607	-
- Trade deposits, prepayments and other receivables	-	47,500
Increase / (decrease) in current liabilities		
- Trade and other payables	(4,830,738)	(68,337)
	(153,131)	(20,837)
Cash used in operations	4,875,786	(520,184)
Net cash used in operating activities	4,875,786	(520,184)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	(4,867,051)	519,999
Net Cash (Used in) / generated from financing activities	(4,867,051)	519,999
Net decrease in cash and cash equivalents	8,735	(185)
Cash and cash equivalents at the beginning of the period	47,985	48,296
	56,720	48,111

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, 2022 (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, 2021	607,881,000	(827,962,439)	42,375,000	126,437,687	(51,268,752)
Net loss for the period	-	(11,223,119)	-	-	(11,223,119)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	1,096,275	-	(1,096,275)	-
Balance as at September 30, 2021	607,881,000	(838,089,283)	42,375,000	125,341,412	(62,491,871)
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)

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, 2022 (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, 2022.

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, 2022.

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, 2022.

Note 6

Property, Plant and Equipment

	Quarter Ended Sep 30, 2022 (Un-audited) Rupees	Year Ended June 30, 2022 (Audited) Rupees
Operating fixed assets	702,673,001	712,623,708
Opening written down value	712,623,708	755,519,415
Addition during the period / year (at cost)	-	-
Disposal during the period / year (written down value)	-	-
Depreciation charge for the period / year	(9,950,707)	(42,895,707)
Closing written down value	702,673,001	712,623,708

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, 2022	Sep 30, 2021
	(Un-audited) Rs. In '000'	(Un-audited) Rs. In '000'
Significant transaction with related parties are as follows:		
- Loan received / (repaid) to directors - net	(4,867)	520

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, 2022.

Note 9

General

9.1 This interim financial information is authorized for issue on Oct 29, 2022 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