

CHAKWAL SPINNING MILLS LTD

FOR THE 3RD QUARTER ENDED

MARCH 31, 2021

Director's Report to the Members

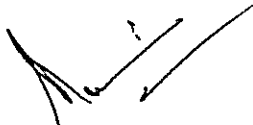
The Directors of the company are pleased to present the quarterly un-audited accounts for the period ended March 31, 2021.

The Directors of the company is submitting its account for the Quarter ended March 31, 2021. The accounts could not be submitted timely which is regretted. The management has updated its accounts for the quarter ended unto March 31, 2022. We remain confirmed that we shall complied the requirement in future regarding the submission of accounts.

The operating of the company remain suspended during that period and financial results reflects the business transactions to be reported as per IFRS and companies Act. The management of the company is focusing to revive the business operations of the company.

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

For and on behalf of the Board



Khawaja Mohammad Jawed
Chairman

May 26,2022

CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Note	March 31, 2021 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
140,000,000 (2020: 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		(817,132,738)	(784,259,887)
Surplus on revaluation of property, plant & equipment		127,655,770	131,310,019
		(39,220,968)	(2,693,868)
Non Current Liabilities			
Deferred liabilities		-	-
Current Liabilities			
Trade and other payables		281,059,986	329,412,646
Accrued mark- up		67,778,697	67,778,697
Short term borrowings		476,926,577	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
		874,124,748	871,593,920
Contingencies and Commitments	5	-	-
		834,903,780	868,900,052
ASSETS			
Non Current Assets			
Property, plant and equipment	6	767,086,505	801,787,161
Long term loans		712,766	712,766
Long term deposits		27,839,744	27,839,744
		795,639,015	830,339,671
Current Assets			
Stores and spares		-	-
Stock in trade		-	-
Trade debts		324,607	933,497
Loans and advances		5,187,153	4,346,292
Tax refunds due from the government		23,880,927	23,880,927
Trade deposits, prepayments and other receivables		9,822,935	9,357,935
Cash and bank balances		49,143	41,730
		39,264,765	38,560,381
		834,903,780	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 NINE MONTHS ENDED MARCH 31, 2021 (Un-audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rupees	Rupees	Rupees	Rupees
Sales	-	146,548,532	-	-
Cost of sales	(34,338,192)	(234,661,947)	(11,446,064)	(1,004,657)
Gross Loss	(34,338,192)	(88,113,415)	(11,446,064)	(1,004,657)
Distribution cost	-	(1,954,118)	-	-
Administrative expenses	(2,178,531)	(25,593,305)	(487,872)	(1,021,254)
	(2,178,531)	(27,547,423)	(487,872)	(1,021,254)
Operating Loss	(36,516,723)	(115,660,838)	(11,933,936)	(2,025,911)
Finance cost	(10,377)	(2,141,569)	(135)	(25,561)
Other Operating Income	-	-	-	-
Loss before Taxation	(36,527,100)	(117,802,407)	(11,934,071)	(2,051,472)
Taxation	-	(2,210,021)	-	-
Net loss for the period	(36,527,100)	(120,012,428)	(11,934,071)	(2,051,472)
Loss per Share - Basic & Diluted	(0.30)	(0.99)	(0.10)	(0.02)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2021 (Un-audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rupees	Rupees	Rupees	Rupees
Net loss for the period	(36,527,100)	(120,012,428)	(11,934,071)	(2,051,472)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(36,527,100)</u>	<u>(120,012,428)</u>	<u>(11,934,071)</u>	<u>(2,051,472)</u>

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

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CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED MARCH 31, 2021 (Un-audited)

	Nine Months Ended	
	March 31, 2021	March 31, 2020
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(36,527,100)	(117,802,407)
Adjustments for:		
• Depreciation	34,700,656	37,461,675
• Provision for gratuity	-	30,900
• Finance cost	10,377	2,141,569
	34,711,033	39,634,144
Operating loss before working capital changes	(1,816,067)	(78,168,263)
(Increase) / decrease in current assets		
• Stores and spares	-	8,782,208
• Stock in trade	-	7,008,281
• Trade debts	608,890	41,924,712
• Loans and advances	(840,861)	2,034,206
• Tax refunds due from the government	-	(865,748)
• Trade deposits, prepayments and other receivables	(465,000)	(85,444)
Increase / (decrease) in current liabilities		
• Trade and other payables	(48,352,813)	23,584,004
	(49,049,784)	82,382,219
Cash used in operations	(50,865,851)	4,213,956
Finance cost paid	(10,224)	(25,560)
Income tax paid	-	(78,532)
Net cash used in operating activities	(50,876,075)	4,109,864
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term loans	-	(76,603)
Net Cash used in investing activities	-	(76,603)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	50,883,488	(3,986,924)
Net Cash generated from financing activities	50,883,488	(3,986,924)
Net increase in cash and cash equivalents	7,413	46,337
Cash and cash equivalents at the beginning of the period	41,730	377,030
	49,143	423,367

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

CHIEF EXECUTIVE

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CHAKWAL SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2021 (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	-	(120,012,428)	-	-	(120,012,428)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	4,039,296	-	(4,039,296)	-
Balance as at March 31, 2020	607,881,000	(855,145,252)	42,375,000	132,656,452	(72,232,800)
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	-	(36,527,100)	-	-	(36,527,100)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	3,654,249	-	(3,654,249)	-
Balance as at March 31, 2021	607,881,000	(817,132,738)	42,375,000	127,655,770	(39,220,968)

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 NINE MONTHS ENDED MARCH 31, 2021 (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, 2020.
- 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	Nine Months Ended Mar 31, 2021	Year Ended June 30, 2020
	(Un-audited)	(Audited)
	Rupees	Rupees
Operating fixed assets	767,086,505	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	(34,700,656)	(49,948,903)
Closing written down value	767,086,505	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:

	Nine Months Ended	
	Mar 31, 2021	Mar 31, 2020
	(Un-audited)	(Un-audited)
	Rs. In '000'	Rs. In '000'
Significant transaction with related parties are as follows:		
• Loan repaid to directors - net	50,833	(3,987)

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 May 26, 2022 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

DIRECTOR

CHIEF FINANCIAL OFFICER