

**FIRST QUARTER REPORT  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2024  
(Un-Audited)**



**PROSPERITY WEAVING MILLS LTD.**



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## PROSPERITY WEAVING MILLS LTD.

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

Mr. Shahzada Ellahi Shaikh	Non-Executive Director / Chairman
Ms. Parveen Akhter Malik	Independent Non-Executive Director
Mr. Arfa Waheed Malik	Independent Non-Executive Director
Mr. Aneeq Khawar	Independent Non-Executive Director
Mr. Javaid Bashir Sheikh	Non-Executive Director
Mr. Shaukat Ellahi Shaikh	Non-Executive Director
Mr. Shafqat Ellahi Shaikh	Non-Executive Director
Mr. Amin Ellahi Shaikh	Non-Executive Director
Mr. Haroon Shahzada Ellahi Shaikh	Non-Executive Director
Mr. Raza Ellahi Shaikh	Executive Director

**MANAGING DIRECTOR (Chief Executive)** Mr. Raza Ellahi Shaikh

#### AUDIT COMMITTEE

Ms. Parveen Akhter Malik	Chairperson
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Syed Mohsin Gilani	Secretary

#### HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Ms. Parveen Akhter Malik	Chairperson
Mr. Raza Ellahi Shaikh	Member
Mr. Amin Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

#### EXECUTIVE COMMITTEE

Mr. Raza Ellahi Shaikh	Chairman
Mr. Shahzada Ellahi Shaikh	Member
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

#### CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

#### CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Tariq Sheikh

#### HEAD OF INTERNAL AUDIT

Mr. Farjad Ashfaq

#### AUDITORS

Messrs Yousuf Adil.  
Chartered Accountants

#### CORPORATE ADVISORS

Bandial & Associates

#### LEAD BANKERS

Allied Bank Ltd.  
Askari Bank Ltd.  
Bank Alfalah Ltd.  
Habib Bank Ltd.  
Meezan Bank Ltd.  
MCB Bank Ltd.  
National Bank of Pakistan  
Soneri Bank Limited  
United Bank Ltd.

#### REGISTERED OFFICE

Nagina House,  
91-B-1, M.M. Alam Road,  
Gulberg-III, Lahore-54660

#### REGIONAL OFFICE

2nd Floor, Shaikh Sultan Trust Bldg. No. 2, 26-Civil Lines,  
Beaumont Road, Karachi - 75530

#### WEB REFERENCE

[www.nagina.com](http://www.nagina.com)

#### SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.  
1<sup>st</sup> Floor, H.M. House 7-Bank Square, Lahore  
Phone # 042-37235081-2  
Fax # 042-37358817

#### MILLS

13.5 K.M  
Sheikhupura Sharaqpur Road, Sheikhupura



## PROSPERITY WEAVING MILLS LTD.

### DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim financial statements of the Company for the 1<sup>st</sup> quarter ended on September 30, 2024. The comparative figures for the corresponding quarter ended on September 30, 2023 are included for comparison, except in statement of financial position where comparative figures are for the year ended on June 30, 2024.

#### **Company Performance**

Despite the ongoing recession affecting the textile industry as a whole and the weaving sector in particular, the company has managed to remain profitable. The company earned an after tax profit of Rs. 20,233,839 compared to Rs. 10,145,470 during the same period of last year (SPLY). Earning per share (EPS) for the quarter is Rs. 1.09 compared to Rs. 0.55 for the SPLY.

Sales revenue for the quarter under review increased by 14.93% over the SPLY and stood at Rs. 5,114,239,197 compared to Rs. 4,449,853,395. The increase is mainly due to rise in per unit price sold. Cost of sales increased from 92.89% of sales during SPLY to 93.39% of sales during the period under review. The increase in cost of sales is mainly due to rise in power costs, salaries and wages etc. Increase in cost of sales resulted in lower Gross Profit (GP) from 7.11% of sales during SPLY to 6.61% of sales during the period under review.

Overall operating expenses increased from 3.11% of sales during SPLY to 3.34% of sales during the period under review. The company successfully maintained stable cash flows, allowing for timely settlement of its operating liabilities. However, due to increase in sales revenue, finance cost reduced to 1.68% of sales from 2.88% of sales in the SPLY. Despite these financial challenges, the company's cash flows remained stable.

#### **Future Outlook**

The textile industry is grappling with significant challenges due to global and domestic market slowdowns. Increasing costs and reduced demand from value-added sectors are squeezing profit margins. Government-imposed energy price hikes and cotton supply shortages could lead to further rises in yarn prices. The outlook for the second quarter of FY25 remains uncertain. In response, management is actively pursuing cost-cutting strategies, targeted marketing efforts, and product diversification to enhance the company's resilience.

Government reported lower rate of inflation which should help SBP to continue on the path of monetary easing. We hope that SBP will announce further reduction of 3% to 4% in the policy rate. The State Bank of Pakistan (SBP) has effectively managed the country's Current Account, significantly reducing the deficit to minimal levels. Year-on-year growth in home remittances and exports has further bolstered the external account. Consequently, the Rupee has maintained stability against the US dollar.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2024-25, Kapas, (seed cotton) arrivals up to October 15, 2024, at the Ginneries totalled 3.102 million bales compared to 5.996 million bales for SPLY showing decrease in arrival of 48.27%.



## PROSPERITY WEAVING MILLS LTD.

It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, refund of outstanding taxes, controlling the inflation rate and reducing the financial costs and release of LTFE facility against the machinery against which LCs has already been retired. Government policies should encourage the completion of the value chain in the textile sector so that the country can export finished products.

### Acknowledgement

Continued diligence and devotion of the staff and workers of the Company and good human relations at all levels deserve acknowledgement. The Directors also wish to place on record their thanks to the bankers and other stakeholders for their continued support to the Company.

On behalf of the Board.

**Haroon Shahzada Ellahi Shaikh**  
Director

**Shafqat Ellahi Shaikh**  
Director

Lahore: October 29, 2024



## ممبران کے لئے ڈائریکٹرز کی رپورٹ

مجلسِ نظامہ 30 ستمبر 2024ء کو تختہ پہلی سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ متحدہ عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہی ہے۔ 30 ستمبر 2023ء کو تختہ ہونے والی سہ ماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے سٹیٹمنٹ آف فنانشل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2024ء کو تختہ سال کے لئے ہیں۔

### کمپنی کی کارکردگی

ٹیکسٹائل انڈسٹری اور خاص طور پر پونگ سیکٹر کو متاثر کرنے والی موجودہ کساد بازاری کے باوجود، کمپنی منافع بخش رہی ہے۔ گزشتہ سال کی اسی مدت کے دوران 10,145,470 روپے کے مقابلے میں گزشتہ سہ ماہی کے دوران 20,233,839 روپے بعد از ٹیکس منافع کمایا۔ سہ ماہی کی فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے دوران 0.55 روپے کے مقابلے میں 1.09 روپے ہے۔

زیر جائزہ سہ ماہی میں فروخت آمدنی گزشتہ سال کی اسی سہ ماہی کے دوران 14.93 فیصد تک زیادہ ہوئی اور گزشتہ سال کی اسی سہ ماہی کے دوران 4,449,853,395 روپے کے مقابلے میں 5,114,239,197 روپے رہی۔ فروخت آمدنی میں اضافہ بنیادی طور پر پنی پونٹ قیمت فروخت میں اضافہ کی وجہ سے ہوا ہے۔ فروخت کی لاگت گزشتہ سال کی اسی سہ ماہی کے دوران فروخت کے 92.89 فیصد سے بڑھ کر زیر جائزہ سہ ماہی کے دوران فروخت کے 93.39 فیصد تک زیادہ ہوئی ہے۔ فروخت کی لاگت میں اضافہ بنیادی طور پر بجلی کی لاگت، تنخواہوں اور اجرتوں وغیرہ میں اضافہ کی وجہ سے ہوا ہے۔ فروخت کی لاگت میں اضافہ کے نتیجے میں مجموعی منافع (GP) گزشتہ سال کی اسی سہ ماہی کے دوران فروخت سے کم ہو کر زیر جائزہ سہ ماہی کے دوران فروخت کا 6.61 فیصد ہوا۔

مجموعی آپریٹنگ اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 3.11 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کے 3.34 فیصد تک زیادہ ہو گئے۔ کمپنی مستحکم نقد بہاؤ کمانے اور اپنے تمام کاروباری واجبات بروقت ادا کرنے کے قابل رہی ہے۔ تاہم، فروخت آمدنی میں اضافہ کی وجہ سے، مالی لاگت گزشتہ سال کی اسی سہ ماہی کے دوران فروخت کے 2.88 فیصد سے کم ہو کر زیر جائزہ سہ ماہی کے دوران فروخت کے 1.68 فیصد تک ہو گئی۔ مالی مشکلات کے باوجود، کمپنی کا نقد بہاؤ مستحکم رہا ہے۔

### مستقبل کا نقطہ نظر

ٹیکسٹائل کی صنعت عالمی اور مقامی مارکیٹ کی سست روی کی وجہ سے اہم مشکلات سے دوچار ہے۔ زیادہ لاگت اور ویلیو ایڈڈ شعبوں سے طلب میں کمی منافع مارجن کو کم کر رہی ہے۔ حکومت کی جانب سے توانائی کی قیمتوں میں اضافے اور کپاس کی فراہمی کی قلت سے دہاگہ کی قیمتوں میں مزید اضافہ ہو سکتا ہے۔ مالی سال 25 کی دوسری سہ ماہی کا نقطہ نظر غیر یقینی ہے۔ اس کے جواب میں، انتظامیہ کمپنی کی چلک کو بڑھانے کے لئے لاگت میں کمی کی حکمت عملی، ٹارگٹڈ مارکیٹنگ کاوشوں، اور مصنوعات کے تنوع پر فعال طور پر عمل پیرا ہے۔

حکومت نے افراط زر کی کم شرح بیان کی ہے جس سے اسٹیٹ بینک پاکستان کو مالیاتی نرمی کی راہ پر گامزن رہنے میں مدد ملے گی۔ ہمیں امید ہے کہ اسٹیٹ بینک پاکستان پالیسی شرح میں مزید 3 سے 4 فیصد کی کا اعلان کرے گا۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے ملک کے کرنٹ اکاؤنٹ کو موثر طریقے سے منظم کیا ہے، جس سے خسارے کو کم سے کم سطح تک نمایاں طور پر کم کیا گیا ہے۔ اندرون ملک ترسیلات زر اور برآمدات میں سال بہ سال اضافہ سے بیرونی کھاتوں کو مزید تقویت ملی ہے۔ نتیجتاً، روپیہ نے امریکی ڈالر کے مقابلے میں استحکام برقرار رکھا ہے۔

پاکستان کاٹن جزو ایسوسی ایشن کی طرف سے فصل سال 2024-25 کے لئے جاری کردہ اعداد و شمار کے مطابق 15 اکتوبر 2024ء تک جزیر میں کپاس، (بیج کپاس) کی پہنچ گزشتہ سال کی اسی مدت کے دوران 5.996 ملین گانٹھوں کے مقابلے میں 3.102 ملین گانٹھیں ہوئی جو کہ 48.27 فیصد کا اضافہ ظاہر کر رہی ہے۔




## PROSPERITY WEAVING MILLS LTD.


امید ہے کہ حکومت کاروبار دوست پالیسیاں لائے گی جیسے کہ لاگت موثر انداز میں توانائی کی بلا تعطل فراہمی، بقایا ٹیکس کی واپسی، تیار کردہ مہنگائی کی شرح کو کنٹرول اور مالیاتی اخراجات میں کمی لائی جاسکے اور جو LCs پہلے ہی ریٹائر ہو چکی ہیں کی مشینری کے لئے LTFF کی سہولت کا اجراء کرے گی۔ حکومتی پالیسیوں کو ٹیکسٹائل سیکٹر میں ویلیو چین کی تکمیل کی حوصلہ افزائی کرنی چاہیے تاکہ ملک تیار مصنوعات برآمد کر سکے۔

اظہار تشکر

کمپنی کے عملے اور کارکنوں کی مسلسل محنت اور جذبہ اور تمام سطحوں پر اچھے انسانی تعلقات کا اعتراف کرتے ہیں۔ ڈائریکٹرز کمپنی کی مسلسل حمایت پر پیکنگ کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

  
ہارون شہزادہ الہی شیخ  
ڈائریکٹر

  
شفقت الہی شیخ  
ڈائریکٹر

لاہور: 29 اکتوبر 2024ء



# PROSPERITY WEAVING MILLS LTD.


## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

	Un-Audited September 30, 2024	Audited June 30, 2024
Note	2024	2024
	.....Rupees.....	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital 40,000,000 (June 30, 2024: 40,000,000) ordinary shares of Rs. 10 each	<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed and paid up capital	<u>184,800,000</u>	184,800,000
Reserves	<u>1,955,457,963</u>	1,936,439,332
Revaluation surplus on land	<u>207,888,634</u>	<u>207,888,634</u>
<b>TOTAL EQUITY</b>	<b><u>2,348,146,597</u></b>	<b>2,329,127,966</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term finances	4 <span style="border: 1px solid black; padding: 2px;">1,608,370,482</span>	<span style="border: 1px solid black; padding: 2px;">1,708,750,717</span>
Employee retirement benefits	<span style="border: 1px solid black; padding: 2px;">266,158,455</span>	<span style="border: 1px solid black; padding: 2px;">254,906,107</span>
	<b>1,874,528,937</b>	<b>1,963,656,824</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<span style="border: 1px solid black; padding: 2px;">982,781,303</span>	<span style="border: 1px solid black; padding: 2px;">1,078,727,126</span>
Accrued interest / markup	<span style="border: 1px solid black; padding: 2px;">77,483,929</span>	<span style="border: 1px solid black; padding: 2px;">73,689,888</span>
Short term borrowings	5 <span style="border: 1px solid black; padding: 2px;">1,239,913,219</span>	<span style="border: 1px solid black; padding: 2px;">1,024,049,845</span>
Current portion of long term finances	4 <span style="border: 1px solid black; padding: 2px;">439,910,754</span>	<span style="border: 1px solid black; padding: 2px;">434,428,753</span>
Provision for taxation - net	<span style="border: 1px solid black; padding: 2px;">344,907,040</span>	<span style="border: 1px solid black; padding: 2px;">281,151,163</span>
Unclaimed dividend	<span style="border: 1px solid black; padding: 2px;">7,074,435</span>	<span style="border: 1px solid black; padding: 2px;">7,102,793</span>
	<b>3,092,070,680</b>	<b>2,899,149,568</b>
<b>TOTAL LIABILITIES</b>	<b>4,966,599,617</b>	<b>4,862,806,392</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>7,314,746,214</u></b>	<b><u>7,191,934,358</u></b>

The annexed explanatory notes from 1 to 15 form an integral part of these condensed interim financial statements.

Lahore: October 29, 2024

  
Haroon Shahzada Ellahi Shaikh  
Director

  
Muhammad Tariq Sheikh  
Chief Financial Officer



# PROSPERITY WEAVING MILLS LTD.

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

	Note	Un-Audited September 30, 2024	Audited June 30, 2024
.....Rupees.....			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	3,116,935,466	3,181,136,158
Long term deposits		15,039,000	15,039,000
		3,131,974,466	3,196,175,158
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		116,239,480	98,293,165
Stock-in-trade		1,810,276,341	1,772,229,542
Trade receivables		1,353,999,014	1,580,341,094
Advances		23,513,614	28,299,804
Short term prepayments		24,065,725	4,420,779
Other receivables		1,614,770	1,879,792
Sales tax refundable		219,667,452	49,299,150
Other financial assets	8	252,978,435	73,515,294
Prepaid Levies		62,354,121	62,354,121
Advance Income Tax		224,127,860	151,159,347
Cash and bank balances		93,934,936	173,967,113
		4,182,771,748	3,995,759,200
<b>TOTAL ASSETS</b>		<b>7,314,746,214</b>	<b>7,191,934,358</b>

The annexed explanatory notes from 1 to 15 form an integral part of these condensed interim financial statements.

**Shafqat Ellahi Shaikh**  
Chief Executive Officer



# PROSPERITY WEAVING MILLS LTD.


## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

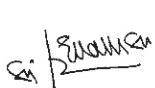
	Note	Quarter Ended	
		September 30, 2024	September 30, 2023
		.....Rupees.....	
Revenue from contracts with customers	9	5,114,239,197	4,449,853,395
Cost of sales	10	(4,776,194,996)	(4,133,550,592)
<b>Gross profit</b>		<b>338,044,201</b>	<b>316,302,803</b>
Distribution cost		(122,507,354)	(91,673,784)
Administrative expenses		(41,929,698)	(42,051,659)
Other operating expenses		(6,275,391)	(4,734,597)
		(170,712,443)	(138,460,040)
		167,331,758	177,842,763
Finance cost		(85,698,947)	(128,126,433)
Other income		2,356,905	14,175,315
<b>Profit before income tax, minimum tax differential and final tax</b>		<b>83,989,716</b>	<b>63,891,645</b>
Minimum Tax differential		(60,226,709)	(50,980,795)
<b>Profit before Income tax</b>		<b>23,763,007</b>	<b>12,910,850</b>
Provision for taxation		(3,529,168)	(2,765,380)
<b>Profit after taxation</b>		<b>20,233,839</b>	<b>10,145,470</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to statement of profit or loss:</b>			
Fair value gain / (loss) on investment in equity instrument designated at FVTOCI		(1,215,208)	29,261,252
<b>Total comprehensive income for the period</b>		<b>19,018,631</b>	<b>39,406,722</b>
<b>Earnings per share - basic and diluted</b>		<b>1.09</b>	<b>0.55</b>

The annexed explanatory notes from 1 to 15 form an integral part of these condensed interim financial statements.

Lahore: October 29, 2024

  
Haroon Shahzada Ellahi Shaikh  
Director

  
Muhammad Tariq Sheikh  
Chief Financial Officer

  
Shafqat Ellahi Shaikh  
Chief Executive Officer



# PROSPERITY WEAVING MILLS LTD.

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter Ended	
	September 30, 2024	September 30, 2023
	.....Rupees.....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	23,763,007	12,910,850
Adjustments for:		
Depreciation of property, plant and equipment	74,853,468	82,189,785
Provision for employee benefits	22,286,274	19,724,983
Dividend income	(2,343,392)	(13,698,753)
Gain on disposal of property, plant and equipment	(8,397)	(470,288)
Minimum Tax differential and final tax	60,226,709	50,980,795
Interest (Income)/Loss	(2,225)	-
Gain on sale of other Financial assets at FVTPL	(2,891)	(6,274)
Finance cost	85,698,947	128,126,433
	<u>240,708,493</u>	<u>266,846,681</u>
Operating cash flow before working capital changes	264,471,500	279,757,531
<b>Changes in Working capital</b>		
(Increase) / decrease in:		
Stores, spare parts and loose tools	(17,946,315)	6,860,009
Stock-in-trade	(38,046,799)	(64,421,223)
Trade receivables	226,342,080	(207,427,590)
Advances	4,786,190	33,272,693
Short term prepayments	(19,644,946)	(21,202,329)
Other receivables	265,022	(193,600)
Sales tax refundable	(170,368,302)	24,058,410
	<u>(14,613,070)</u>	<u>(229,053,630)</u>
(Decrease)/Increase in trade and other payables	<u>(95,945,823)</u>	<u>191,118,455</u>
	<u>(110,558,893)</u>	<u>(37,935,175)</u>
<b>Cash generated from operations</b>	<b>153,912,607</b>	<b>241,822,356</b>
Finance cost paid	(81,904,906)	(115,591,883)
Employee benefits paid	(11,033,926)	(6,875,570)
Levies paid	-	(11,675,064)
Income taxes paid	(72,968,513)	(21,801,433)
<b>Net cash (used in) / generated from operating activities</b>	<b>(11,994,738)</b>	<b>85,878,406</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(10,654,379)	(11,943,850)
Proceeds from disposal of property, plant and equipment	10,000	1,320,000
Purchase of other financial assets	(180,828,700)	(327,149)
Proceeds from sale of other financial assets	155,467	333,423
Dividend received	2,343,392	13,698,753
<b>Net cash (used in) / generated from investing activities</b>	<b>(188,974,220)</b>	<b>3,081,178</b>



## PROSPERITY WEAVING MILLS LTD.

### CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter Ended	
	September 30, 2024	September 30, 2023
	.....Rupees.....	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	10,299,150	-
Repayment of long term finances	(105,197,384)	(69,247,625)
Short term borrowings excluding running finance and bank overdraft	718,849,873	434,900,001
Dividend paid	(28,358)	(10,562)
<b>Net cash generated from financing activities</b>	<b>623,923,281</b>	<b>365,641,814</b>
<b>Net increase in cash and cash equivalents</b>	<b>422,954,323</b>	<b>454,601,398</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>(369,788,916)</b>	<b>(1,028,594,918)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>53,165,407</b>	<b>(573,993,520)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	93,934,936	230,144,689
Running finance	(411,085)	(754,136,613)
Bank overdraft	(40,358,444)	(50,001,596)
	<b>53,165,407</b>	<b>(573,993,520)</b>

The annexed explanatory notes from 1 to 15 form an integral part of these condensed interim financial statements.

Haroon Shahzada Ellahi Shaikh  
Director

Muhammad Tariq Sheikh  
Chief Financial Officer

Shafqat Ellahi Shaikh  
Chief Executive Officer

Lahore: October 29, 2024



# PROSPERITY WEAVING MILLS LTD.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Issued, subscribed and paid up capital	Capital reserve			Revenue reserve	Total
		Amalgamation reserve	Revaluation surplus on land	Fair value reserve	Unappropriated profit	
----- Rupees -----						
<b>Balance at June 30, 2023 (Audited)</b>	184,800,000	16,600,000	102,840,634	(105,934,165)	1,835,229,238	2,033,535,707
<b>Comprehensive income</b>						
Profit after taxation	-	-	-	-	10,145,470	10,145,470
Other comprehensive income - net of tax	-	-	-	29,261,252	-	29,261,252
<b>Total comprehensive income for the period</b>	-	-	-	29,261,252	10,145,470	39,406,722
<b>Balance as at September 30, 2023 (Un-audited)</b>	184,800,000	16,600,000	102,840,634	(76,672,913)	1,845,374,708	2,072,942,429
<b>Comprehensive income</b>						
Profit after taxation	-	-	-	-	76,509,331	76,509,331
Other comprehensive income - net of tax	-	-	105,048,000	127,512,019	2,556,187	235,116,206
<b>Total Comprehensive income for the period</b>	-	-	105,048,000	127,512,019	79,065,518	311,625,537
Transfer of gain on disposal of equity investments at FVTOCI	-	-	-	(49,897,956)	49,897,956	-
<b>Transactions with owners</b>						
Final dividend for the year ended June 30, 2023 @ 30% i.e. Rs.3 per ordinary share	-	-	-	-	(55,440,000)	(55,440,000)
<b>Balance at June 30, 2024 (Audited)</b>	184,800,000	16,600,000	207,888,634	941,150	1,918,898,182	2,329,127,966
<b>Comprehensive income</b>						
Profit after taxation	-	-	-	-	20,233,839	20,233,839
Other comprehensive Loss - net of tax	-	-	-	(1,215,208)	-	(1,215,208)
<b>Total comprehensive (loss) / income for the period</b>	-	-	-	(1,215,208)	20,233,839	19,018,631
<b>Balance at September 30, 2024 (Un-audited)</b>	<b>184,800,000</b>	<b>16,600,000</b>	<b>207,888,634</b>	<b>(274,058)</b>	<b>1,939,132,021</b>	<b>2,348,146,597</b>

The annexed explanatory notes from 1 to 15 form an integral part of these condensed interim financial statements.

**Haroon Shahzada Ellahi Shaikh**  
Director

**Muhammad Tariq Sheikh**  
Chief Financial Officer

**Shafqat Ellahi Shaikh**  
Chief Executive Officer

Lahore: October 29, 2024



# PROSPERITY WEAVING MILLS LTD.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

### 1 LEGAL STATUS AND OPERATIONS

1.1 Prosperity Weaving Mills Limited (the Company) was incorporated in Pakistan on November 20, 1991 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and listed on Pakistan Stock Exchange Limited on October, 17 1995. The registered office of the Company is situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore and Regional Office at 2nd Floor, Shaikh Sultan Trust Bldg. No. 2, 26-Civil Lines, Beaumont Road, Karachi. The principal activity of the Company is manufacturing and sale of woven cloth. The plant measuring 210 kanals is located at 13.5 km Sharakpur road, District Sheikhpura in the Province of Punjab.

1.2 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

### 2 STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), 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 do not include all of the information required for the full financial statements and, therefore, these should be read in conjunction with annual audited financial statements for the year ended June 30, 2024. Comparative condensed statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2024, whereas comparative condensed statement of profit or loss and other comprehensive income, comparative condensed statement of changes in equity and comparative of statement of cash flows are stated from un-audited condensed interim financial statements for the first quarter ended September 30, 2023.

### 3 ACCOUNTING POLICIES AND ESTIMATES

The significant accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2024.

#### 3.1 Financial risk management

The Company's financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2024.

#### 3.2 Fair value of financial assets and liabilities

The carrying value of financial assets and financial liabilities reported in these condensed interim financial statements approximates their fair values.

#### 3.3 Estimates and judgements

Estimates and judgements made by management in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2024.

### 4 LONG TERM FINANCES

#### From Banking Companies

	Un-Audited September 30 2024	Audited June 30 2024
	-----Rupees-----	
Opening balance	2,143,179,470	2,454,280,312
Obtained during the period / year	10,299,150	31,810,500
Repayments made during the period / year	(105,197,384)	(342,911,342)
	<u>2,048,281,236</u>	<u>2,143,179,470</u>
Less: Current portion shown under current liabilities	<u>(439,910,754)</u>	<u>(434,428,753)</u>
	<u>1,608,370,482</u>	<u>1,708,750,717</u>



# PROSPERITY WEAVING MILLS LTD.

		Un-Audited September 30 2024	Audited June 30 2024
-----Rupees-----			
<b>5</b>	<b>SHORT TERM BORROWING</b>		
	From banking companies:		
	Running finance - secured	411,085	480,625,237
	Bank overdraft - unsecured	40,358,444	63,130,792
	Foreign currency loans - secured	1,199,143,690	480,293,816
		<u>1,239,913,219</u>	<u>1,024,049,845</u>
<b>6</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>6.1</b>	<b>Contingencies</b>		
	There is no significant change in the status of contingencies as disclosed in the note 12.1 & 12.2 of the financial statement for the year ended June 30, 2024.		
<b>6.2</b>	<b>Commitments</b>		
	<b>Irrevocable letters of credit for</b>		
	Store and Spares	19,794,968	56,955,339
	Raw Materials	458,087,509	216,603,468
		477,882,477	273,558,807
	<b>Short term lease</b>		
	Payable within one year	536,096	998,376
		<u>478,418,573</u>	<u>274,557,183</u>
<b>7</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets - owned	3,116,935,466	3,143,679,480
	Capital work-in-progress	-	37,456,678
		<u>3,116,935,466</u>	<u>3,181,136,158</u>
<b>7.1</b>	<b>Operating fixed assets - Owned</b>		
	Opening written down value	3,143,679,480	3,345,297,817
	Additions during the period / year:		
	Building on free hold land- Factory	-	6,527,175
	Arms and Ammunition	194,000	-
	Freehold Land	-	105,048,000
	Plant and machinery	46,643,727	-
	Electric Installation	270,000	-
	Factory equipment	-	2,201,200
	Furniture and fixture	650,000	1,202,000
	Office equipment	28,000	714,000
	Vehicles	325,330	14,892,200
		48,111,057	130,584,575
	Written down value of property, plant and equipment disposed off	(1,603)	(1,446,057)
	Depreciation charged during the period/year	(74,853,468)	(330,756,856)
	Written down value at end of the period/year	<u>3,116,935,466</u>	<u>3,143,679,480</u>
<b>8</b>	<b>OTHER FINANCIAL ASSETS</b>		
	<b>Investments classified as FVTOCI</b>		
	Equity investments	71,902,624	73,362,718
	<b>Investments classified as FVTPL</b>		
	Mutual Funds	180,244,886	152,576
	TDR's	830,925	-
		181,075,811	152,576
		<u>252,978,435</u>	<u>73,515,294</u>
<b>8.1</b>	<b>Reconciliation between fair value and cost of investments classified at FVTOCI</b>		
	Fair value of investments		
	-in listed equity securities	71,902,624	73,362,718
	Add: Loss on remeasurement of investments	(518,944)	941,150
	Cost of investment	<u>72,421,568</u>	<u>72,421,568</u>



# PROSPERITY WEAVING MILLS LTD.

	Quarter Ended (Un-audited)		
	September 30	September 30	
	2024	2023	
<b>9 Revenue from contracts with customer</b>	.....Rupees.....		
<b>Export</b>			
Cloth	2,058,237,694	1,566,895,780	
Add: Export rebate	-	249,773	
	<u>2,058,237,694</u>	<u>1,567,145,553</u>	
<b>Local</b>			
Cloth	3,463,268,799	3,347,441,680	
Yarn	78,942,000	-	
Waste	63,859,922	62,865,738	
	<u>3,606,070,721</u>	<u>3,410,307,418</u>	
Less: Sales tax on sales	<u>(550,069,219)</u>	<u>(527,599,576)</u>	
	<u>3,056,001,502</u>	<u>2,882,707,842</u>	
Total	<u>5,114,239,196</u>	<u>4,449,853,395</u>	
<b>10 COST OF SALES</b>			
Raw material consumed	3,614,129,183	3,467,245,922	
Fuel and power	565,495,040	378,914,673	
Salaries, wages and benefits	223,421,684	174,344,984	
Stores and spares consumed	71,228,542	33,825,668	
Sizing material consumed	73,917,346	72,930,462	
Depreciation	72,366,796	79,753,647	
Packing material consumed	16,418,648	16,850,024	
Insurance	6,534,021	6,528,579	
Repairs and maintenance	4,739,553	2,974,345	
Electricity duty	4,651,627	4,442,453	
Others	6,702,817	7,103,708	
<b>Manufacturing cost</b>	<u>4,659,605,257</u>	<u>4,244,914,465</u>	
Work-in-process:			
At beginning of period	254,217,864	152,180,194	
At end of period	<u>(325,105,948)</u>	<u>(238,553,188)</u>	
	<u>(70,888,084)</u>	<u>(86,372,994)</u>	
<b>Cost of goods manufactured</b>	<u>4,588,717,173</u>	<u>4,158,541,471</u>	
Finished stocks:			
At beginning of period	849,739,338	947,743,542	
Cloth purchased / processing charges	11,974,185	25,429,216	
At end of period	<u>(674,235,700)</u>	<u>(998,163,637)</u>	
	<u>187,477,823</u>	<u>(24,990,879)</u>	
	<u>4,776,194,996</u>	<u>4,133,550,592</u>	
<b>11 TRANSACTIONS WITH RELATED PARTIES</b>			
<p>The related parties comprise of associated companies, directors of the company and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. The consideration is determined on commercial terms and conditions. The transactions with related parties during the period generally consist of sales and purchases.</p> <p>Nature and description of related party transactions during the period along with monetary values are as follows:</p>			
<b>Nature of Relationship</b>	<b>Nature of Transaction</b>		
Associated companies	Purchase of goods and services	2,190,087,303	2,595,188,396
	Rent expense	351,558	334,818
	Sale of goods and services	17,700	-
	Remuneration and other benefits	16,234,397	17,358,361
Key Management Personnel			
There is no balance outstanding to or from associated undertakings as at reporting date.			



## PROSPERITY WEAVING MILLS LTD.

### 12 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analysis financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Company's financial assets which are carried at fair value:

	September 30, 2024			Total
	Level 1	Level 2	Level 3	
	Rs			
<b>Financial assets - at fair value</b>				
Equity Investments designated at FVTOCI	71,902,624	-	-	71,902,624
At September 30, 2024	<u>71,902,624</u>	<u>-</u>	<u>-</u>	<u>71,902,624</u>

	June 30, 2024			
<b>Financial assets - at fair value</b>				
Equity Investments designated at FVTOCI	73,362,718	-	-	73,362,718
At June 30, 2024	<u>73,362,718</u>	<u>-</u>	<u>-</u>	<u>73,362,718</u>

At September 30, 2024 the company holds short term investments where the company has used Level 1 inputs for the measurement of fair values and there is no transfer between levels.

### 13 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Quarter ended (Un-audited)		
	June 30, 2024	Net Cash flow	September 30, 2024
	Rupees.....		
Long term finances	2,143,179,470	(94,898,234)	2,048,281,236
Short term borrowings	1,024,049,845	215,863,374	1,239,913,219
	<u>3,167,229,315</u>	<u>120,965,140</u>	<u>3,288,194,455</u>

### 14 CORRESPONDING FIGURES

Corresponding figures have been rearranged and regrouped where ever necessary for the purpose of comparison.

14.1 The figures have been rounded off to the nearest Rupee.



# PROSPERITY WEAVING MILLS LTD.

## 15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements (un-audited) have been approved by the board of directors of the Company and authorized for issue on October 29, 2024.

Lahore: October 29, 2024

**Haroon Shahzada Ellahi Shaikh**  
Director

**Muhammad Tariq Sheikh**  
Chief Financial Officer

**Shafqat Ellahi Shaikh**  
Chief Executive Officer



# PROSPERITY WEAVING MILLS LTD.

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