

**FIRST QUARTER REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2023
(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. Kashif Saleem

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

SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.
1st 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 1st quarter ended on September 30, 2023. The comparative figures for the corresponding quarter ended on September 30, 2022 are included for comparison, except in statement of financial position where comparative figures are for the year ended on June 30, 2023.

Company Performance

Alhamdulillah, the company remained profitable and earned an after tax profit of Rs. 10,145,470 compared to Rs. 60,080,993 during the same period of last year (SPLY). Earning per share (EPS) for the quarter is Rs. 0.55 compared to Rs. 3.25 for the SPLY. Despite the ongoing recession affecting the textile industry as a whole and the weaving sector in particular, the company has managed to remain profitable.

Sales revenue for the quarter under review increased by 20.33% over the SPLY and stood at Rs. 4,449,853,395 compared to Rs. 3,697,947,416. The increase is mainly due to volume rise as well as price rise. Price rise is mainly due to devaluation of PKR against USD. Cost of sales increased from 91.88% of sales during SPLY to 92.89% of sales during the period under review. Increase in cost of sales resulted in lower Gross Profit (GP) from 8.12% of sales during SPLY to 7.11% of sales during the period under review.

Overall operating expenses decreased from 3.92% of sales during SPLY to 3.11% of sales during the period under review. The company has been able to generate stable cash flows and made timely discharge of its operating and financial liabilities. Finance cost significantly increased from 1.58% of sales during SPLY to 2.88% of sales during the period under review. Increase in finance costs is mainly due to increase in interest rates as well as increase in average short term borrowings of the Company. The company had to borrow more short term funds from the banks because customers are taking longer to repay, higher raw material and conversion costs require much more liquidity and the margins of the company are lower.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2023-24, Kapas, (seed cotton) arrivals up to September 30, 2023, at the Gineries totalled 5.025 million bales compared to 2.936 million bales for SPLY showing increase in arrival of 71.15%.

Future Outlook

The company has been facing a challenging economic environment for quite some time. Our product margins have been squeezed and the demand for fabric has remained slow. Customers are reporting sluggish demand for finished goods which in turn is impacting fabric demand negatively. The recent rupee appreciation against USD is also putting pressure on export sales. The Government has recently increased the minimum wage rate which will increase the cost of production. The government is likely to persist in raising costs associated with gas, electricity and interest rates. This, in turn, is anticipated to escalate expenses across various areas including spare parts, administration, transportation, and overall conversion costs. Considering all above factors the outlook for the 2nd quarter is not good.



PROSPERITY WEAVING MILLS LTD.

The challenge facing the company is to remain profitable despite inflation and reduced demand. Your management is aware of the current difficult situation and is consistently evaluating its approach to meet customer demands, enhance productivity through innovation, efficiency and effective cost management initiatives. The financial outlook can improve if the benefits of a strengthening rupee are passed on to us in the form of lower fuel, electricity, gas and interest costs. The expectation of a 10 million plus bales crop of cotton is another positive element.

It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies during winter in cost effective manner, refund of outstanding taxes, controlling the inflation rate and reducing the financial costs and release of LTFF 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

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: October 26, 2023



ممبران کے لئے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 ستمبر 2023ء کو اختتام پہلی سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ منہدم عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہی ہے۔ 30 ستمبر 2022ء کو ختم ہونے والی سہ ماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے سٹینٹ آف فنانشل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2023ء کو اختتام سال کے لئے ہیں۔

کمپنی کی کارکردگی

الحمد للہ، آپ کی کمپنی منافع بخش رہی اور گزشتہ سال کی اسی مدت کے دوران 60,080,993 روپے کے مقابلے میں زیر جائزہ سہ ماہی کے دوران 10,145,470 روپے بعد از ٹیکس منافع کمایا۔ سہ ماہی کی فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے دوران 3.25 روپے کے مقابلے میں 0.55 روپے ہے۔ منافع بخش نتائج عام طور پر ٹیکسٹائل انڈسٹری میں اور خاص طور پر یونگ ٹیکسٹائل میں موجودہ کساد بازاری کے باوجود ہیں۔

زیر جائزہ سہ ماہی میں فروخت آمدنی گزشتہ سال کی اسی سہ ماہی کے دوران 20.33 فیصد تک زیادہ ہوئی اور گزشتہ سال کی اسی سہ ماہی کے دوران 3,697,947,416 روپے کے مقابلے میں 4,449,853,395 روپے رہی۔ فروخت آمدنی میں اضافہ بنیادی طور پر حجم اور قیمت میں اضافہ کی وجہ سے ہوا ہے۔ قیمت میں اضافہ امریکی ڈالر کے برعکس پاکستانی روپیہ کی قدر میں کمی کے باعث ہوا ہے۔ فروخت کی لاگت گزشتہ سال کی اسی سہ ماہی کے دوران فروخت کے 91.88 فیصد سے بڑھ کر زیر جائزہ سہ ماہی کے دوران فروخت کے 92.89 فیصد تک زیادہ ہوئی ہے۔ فروخت کی لاگت میں اضافہ کے نتیجے میں مجموعی منافع (GP) گزشتہ سال کی اسی مدت کے دوران فروخت کے 8.12 فیصد سے کم ہو کر زیر جائزہ سہ ماہی کے دوران فروخت کا 7.11 فیصد ہوا۔

مجموعی آپریٹنگ اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 3.92 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کے 3.11 فیصد تک کم ہو گئے۔ کمپنی مستحکم نقد بہاؤ کمانے اور اپنے تمام کاروباری واجبات اور مالی ادائیگیاں بروقت ادا کرنے کے قابل رہی ہے۔ مالی لاگت گزشتہ سال کی اسی مدت کے دوران فروخت کے 1.58 فیصد سے بڑھ کر زیر جائزہ سہ ماہی کے دوران فروخت کے 2.88 فیصد تک ہو گئی۔ مالی اخراجات میں اضافہ بنیادی طور پر سود کی شرحوں میں اضافہ اور کمپنی کے مختصر مدتی اوسط قرضوں میں اضافہ کی وجہ سے ہوا ہے۔ کمپنی کو بینکوں سے مزید قلیل مدتی قرضے لینے پڑے کیونکہ گاہک ادائیگی میں تاخیر کر رہے ہیں، زیادہ خام مال اور تبادلوں کے اخراجات کے لیے بہت زیادہ لیکویڈیٹی کی ضرورت ہوتی ہے اور کمپنی کا مارجن کم ہے۔

پاکستان کاٹن جز زا ایسوسی ایشن کی طرف سے فصل سال 2023-24 کے لئے جاری کردہ اعداد و شمار کے مطابق 30 ستمبر اکتوبر 2023 تک جز بڑ میں کپاس، (بیج کپاس) کی پہنچ گزشتہ سال کی اسی مدت کے دوران 2.936 ملین گانٹھوں کے مقابلے میں 5.025 ملین گانٹھیں ہوئی جو کہ 71.15 فیصد کا اضافہ ظاہر کر رہی ہے۔

مستقبل کا نقطہ نظر

کمپنی کافی عرصہ سے مشکل معاشی ماحول کا سامنا کر رہی ہے۔ ہمارا پروڈکٹ مارجن کم ہو گیا اور فیبرک کی طلب سست رہی ہے۔ کسٹمز تیار سامان کی طلب میں کمی بیان کر رہے ہیں جس کے نتیجے میں فیبرک کی طلب پر منفی اثر پڑ رہا ہے۔ امریکی ڈالر کے مقابلے میں روپیہ کی حالیہ قدر بھی برآمدی فروخت پر دباؤ ڈال رہی ہے۔ حکومت نے حال ہی میں کمی از کم اجرت کی شرح میں اضافہ کر دیا ہے جس سے پیداواری لاگت میں اضافہ ہوگا۔ امکان ہے کہ حکومت گیس، بجلی اور شرح سود سے منسلک اخراجات میں اضافے پر برقرار رہے گی۔ نتیجتاً، اسپنر پارٹس، اینڈسٹریشن، نقل و حمل، اور مجموعی طور پر تبادلوں کے اخراجات سمیت تمام مختلف شعبوں کے اخراجات میں اضافہ کی توقع ہے۔ مندرجہ بالا تمام عوامل پر غور کرتے ہوئے دوسری سہ ماہی کے لیے نقطہ نظر اچھا نہیں ہے۔



PROSPERITY WEAVING MILLS LTD.


افراط زر اور کم طلب کے باوجود کمپنی کو منافع بخش رہنا ایک چیلنج ہے۔ آپ کی انتظامیہ موجودہ مشکل صورتحال سے آگاہ ہے اور صارفین کی طلب کو پورا کرنے، اختراع، کارکردگی اور لاگت کے مؤثر انتظامی اقدامات کے ذریعے پیداواری صلاحیت کو بڑھانے کے لیے اپنے نقطہ نظر کا مسلسل جائزہ لے رہی ہے۔ مالیاتی نقطہ نظر بہتر ہو سکتا ہے اگر روپیہ کے استحکام کے فوائد ہمیں ایندھن، بجلی، گیس اور سوڈ کی کم لاگت کی صورت میں پہنچائے جائیں۔ کپاس کی 10 ملین سے زائد گانٹھوں کی فصل کی توقع ایک اور مثبت عنصر ہے۔


امید ہے کہ حکومت کاروبار دوست پالیسیاں لائے گی جیسے کہ موسم سرما کے دوران لاگت مؤثر انداز میں توانائی کی باقاعدگی فراہمی، بقایا ٹیکس کی واپسی، تناہہ 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 بینکرز کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ


رضا الہی شیخ
چیف ایگزیکٹو آفیسر


ہارون شہزادہ الہی شیخ
ڈائریکٹر

لاہور: 26 اکتوبر 2023ء



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

	Un-Audited September 30, 2023	Audited June 30, 2023
NoteRupees.....	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 40,000,000 (June 30, 2023: 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>	<u>184,800,000</u>
Reserves	<u>1,785,301,795</u>	<u>1,745,895,073</u>
Revaluation surplus on land	<u>102,840,634</u>	<u>102,840,634</u>
TOTAL EQUITY	2,072,942,429	2,033,535,707
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	4 2,007,203,022	2,111,368,970
Employee retirement benefits	231,307,799	218,458,386
Deferred taxation	131,389,533	131,389,532
	2,369,900,354	2,461,216,888
CURRENT LIABILITIES		
Trade and other payables	1,073,731,018	882,612,563
Accrued interest / markup	120,554,110	108,019,560
Short term borrowings	5 1,239,038,210	1,120,218,955
Current portion of long term finances	4 377,829,665	342,911,342
Provision for taxation - net	35,082,724	14,813,046
Unclaimed dividend	6,752,067	6,762,629
	<u>2,852,987,794</u>	<u>2,475,338,095</u>
TOTAL LIABILITIES	5,222,888,148	4,936,554,983
CONTINGENCIES AND COMMITMENTS	6	
TOTAL EQUITY AND LIABILITIES	<u>7,295,830,577</u>	<u>6,970,090,690</u>

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.

Lahore: October 26, 2023


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, 2023

	Note	Un-Audited September 30, 2023	Audited June 30, 2023
.....Rupees.....			
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,274,202,170	3,345,297,817
Long term deposits		15,039,000	15,039,000
		3,289,241,170	3,360,336,817
CURRENT ASSETS			
Stores, spare parts and loose tools		109,913,475	116,773,484
Stock-in-trade		1,668,797,928	1,604,376,705
Trade receivables		1,532,826,094	1,325,398,504
Advances		6,782,873	40,055,566
Short term prepayments		24,187,363	2,985,034
Other receivables		2,067,235	1,873,635
Sales tax refundable		212,596,627	236,655,037
Other financial assets	8	219,273,123	190,011,871
Cash and bank balances		230,144,689	91,624,037
		4,006,589,407	3,609,753,873
TOTAL ASSETS		7,295,830,577	6,970,090,690

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.

Raza 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, 2023

	Quarter Ended	
	September 30	September 30
	2023	2022
Rupees.....	
Revenue from contracts with customers	4,449,853,395	3,697,947,416
Cost of sales	(4,133,550,592)	(3,397,713,460)
Gross profit	316,302,803	300,233,956
Distribution cost	(93,650,377)	(99,878,008)
Administrative expenses	(40,075,066)	(34,381,837)
Other operating expenses	(4,734,597)	(10,592,149)
	(138,460,040)	(144,851,994)
	177,842,763	155,381,962
Other income	14,175,315	6,028,091
Operating profit	192,018,078	161,410,053
Finance cost	(128,126,433)	(58,345,089)
Profit before taxation	63,891,645	103,064,964
Provision for taxation	(53,746,175)	(42,983,971)
Profit after taxation	10,145,470	60,080,993
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss:		
Fair value gain/(loss) on investment in equity instrument designated at FVTOCI	29,261,252	(12,992,483)
Total comprehensive income for the period	39,406,722	47,088,510
Earnings per share - basic and diluted	0.55	3.25

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.

Haroon Shahzada Ellahi Shaikh
Director

Muhammad Tariq Sheikh
Chief Financial Officer

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: October 26, 2023



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended	
	September 30 2023	September 30 2022
Rupees.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	63,891,645	103,064,964
Adjustments for:		
Depreciation of property, plant and equipment	82,189,785	59,442,752
Provision for employee benefits	19,724,983	12,000,672
Dividend income	(13,698,753)	(4,495,925)
Gain on disposal of property, plant and equipment	(470,288)	(1,532,166)
Gain on sale of other Financial assets at FVTPL	(6,274)	-
Finance cost	128,126,433	58,345,089
	215,865,886	123,760,422
Operating cash flow before working capital changes	279,757,531	226,825,386
Changes in Working capital		
(Increase) / decrease in:		
Stores, spare parts and loose tools	6,860,009	(20,474,363)
Stock-in-trade	(64,421,223)	(153,482,498)
Trade receivables	(207,427,590)	24,638,299
Advances	33,272,693	3,602,058
Short term prepayments	(21,202,329)	(12,224,970)
Other receivables	(193,600)	54,617
Sales tax refundable	24,058,410	(49,881,513)
	(229,053,630)	(207,768,370)
Increase/(Decrease) in trade and other payables	191,118,455	(22,910,772)
	(37,935,175)	(230,679,142)
Cash generated/(used in) operations	241,822,356	(3,853,756)
Finance cost paid	(115,591,883)	(49,263,372)
Employee benefits paid	(6,875,570)	(4,312,334)
Income taxes paid	(33,476,497)	(38,429,561)
Net cash generated/(used in) operating activities	85,878,406	(95,859,023)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,943,850)	(170,209,140)
Proceeds from disposal of property, plant and equipment	1,320,000	2,560,000
Purchase of other financial assets	(327,149)	-
Proceeds from sale of other financial assets	333,423	-
Dividend received	13,698,753	4,495,925
Net cash generated/(used in) from investing activities	3,081,178	(163,153,215)



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended	
	September 30 2023	September 30 2022
Rupees.....	
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	-	113,228,900
Repayment of long term finances	(69,247,625)	(78,562,082)
Short term borrowings excluding running finance and bank overdraft	434,900,001	280,739,952
Dividend paid	(10,562)	(70)
Net cash generated from financing activities	365,641,814	315,406,700
Net increase in cash and cash equivalents	454,601,398	56,394,462
Cash and cash equivalents at beginning of the period	(1,028,594,918)	(704,641,790)
Cash and cash equivalents at end of the period	(573,993,520)	(648,247,328)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	230,144,689	27,020,856
Running finance	(754,136,613)	(609,050,930)
Bank overdraft	(50,001,596)	(66,217,254)
	(573,993,520)	(648,247,328)

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.

Haroon Shahzada Ellahi Shaikh
Director

Muhammad Tariq Sheikh
Chief Financial Officer

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: October 26, 2023



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid up capital	Capital reserve			Revenue reserve	Total
		Amalgamation reserve	Revaluation surplus on land	Fair value reserve	Unappropriated profit	
----- Rupees -----						
Balance at June 30, 2022 (Audited)	184,800,000	16,600,000	102,840,634	(80,055,715)	1,791,734,347	2,015,919,266
Comprehensive income						
Profit after taxation	-	-	-	-	60,080,993	60,080,993
Other comprehensive loss - net of tax	-	-	-	(12,992,483)	-	(12,992,483)
Total comprehensive (loss) / income for the period	-	-	-	(12,992,483)	60,080,993	47,088,510
Balance as at September 30, 2022 (Un-audited)	184,800,000	16,600,000	102,840,634	(93,048,198)	1,851,815,340	2,063,007,776
Comprehensive income						
Profit after taxation	-	-	-	-	93,047,831	93,047,831
Other comprehensive loss - net of tax	-	-	-	(12,885,967)	-	(12,885,967)
Remeasurement of post retirement benefits obligation	-	-	-	-	(21,302,707)	(21,302,707)
Related Tax Impact remeasurement	-	-	-	-	4,068,774	4,068,774
Total Comprehensive (loss) / income for the period	-	-	-	(12,885,967)	75,813,898	62,927,931
Transactions with owners						
Final dividend for the year ended June 30, 2022 @ 50% i.e. Rs.5 per ordinary share	-	-	-	-	(92,400,000)	(92,400,000)
Balance at June 30, 2023 (Audited)	184,800,000	16,600,000	102,840,634	(105,934,165)	1,835,229,238	2,033,535,707
Comprehensive income						
Profit after taxation	-	-	-	-	10,145,470	10,145,470
Other comprehensive income - net of tax	-	-	-	29,261,252	-	29,261,252
Total comprehensive income for the period	-	-	-	29,261,252	10,145,470	39,406,722
Balance at September 30, 2023 (Un-audited)	184,800,000	16,600,000	102,840,634	(76,672,913)	1,845,374,708	2,072,942,429

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.

Haroon Shahzada Ellahi Shaikh
Director

Muhammad Tariq Sheikh
Chief Financial Officer

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: October 26, 2023



PROSPERITY WEAVING MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

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 Sharakpura 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, 2023. Comparative condensed statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2023, 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, 2022.

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, 2023.

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, 2023.

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, 2023.

4 LONG TERM FINANCES

From Banking Companies

	Un-Audited September 30 2023	Audited June 30 2023
Opening balance	2,454,280,312	1,945,479,251
Obtained during the period / year	-	812,457,700
Repayments made during the period / year	(69,247,625)	(303,656,640)
	<u>2,385,032,687</u>	<u>2,454,280,312</u>
Less: Current portion shown under current liabilities	<u>(377,829,665)</u>	<u>(342,911,342)</u>
	<u>2,007,203,022</u>	<u>2,111,368,970</u>



PROSPERITY WEAVING MILLS LTD.

		Un-Audited September 30 2023	Audited June 30 2023
		-----Rupees-----	
5	SHORT TERM BORROWING		
	From banking companies:		
	Running finance - secured	754,136,613	1,010,806,510
	Bank overdraft - unsecured	50,001,596	109,412,445
	Foreign currency loans - secured	434,900,001	-
		<u>1,239,038,210</u>	<u>1,120,218,955</u>
6	CONTINGENCIES AND COMMITMENTS		
6.1	Contingencies		
	There is no significant change in the status of contingencies as disclosed in the note 13.1 & 13.2 of the financial statement for the year ended June 30, 2023.		
6.2	Commitments		
	Irrevocable letters of credit for		
	Capital expenditures	-	-
	Non-capital expenditures	233,540,046	23,562,265
		<u>233,540,046</u>	<u>23,562,265</u>
	Short term lease		
	Payable within one year	519,356	964,896
		<u>234,059,402</u>	<u>24,527,161</u>
7	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets - owned	7.1 3,274,202,170	3,345,297,817
7.1	Operating fixed assets - Owned		
	Opening written down value	3,345,297,817	2,428,776,016
	Additions during the period / year:		
	Building on free hold land- Factory	-	94,785,118
	Residential building	-	-
	Plant and machinery	-	1,006,963,542
	Electric Installation	-	51,568,264
	Factory equipment	2,201,200	14,147,146
	Furniture and fixture	125,000	1,318,890
	Office equipment	-	259,400
	Vehicles	9,617,650	3,454,987
		<u>11,943,850</u>	<u>1,172,497,347</u>
	Written down value of property, plant and equipment disposed off	(849,712)	(1,568,753)
	Depreciation charged during the period/year	(82,189,785)	(254,406,793)
	Written down value at end of the period/year	<u>3,274,202,170</u>	<u>3,345,297,817</u>
8	OTHER FINANCIAL ASSETS		
	Investments classified as FVTOCI		
	Equity investments	8.1 219,273,123	190,011,871
8.1	Reconciliation between fair value and cost of investments classified at FVTOCI		
	Fair value of investments		
	-in listed equity securities	219,273,123	190,011,871
	Add: Loss on remeasurement of investments	(76,672,913)	(105,934,165)
	Cost of investment	<u>295,946,036</u>	<u>295,946,036</u>



PROSPERITY WEAVING MILLS LTD.

Quarter Ended (Un-audited)	
September 30 2023	September 30 2022

.....Rupees.....

9 COST OF SALES

Raw material consumed	3,467,245,922	2,936,610,228
Fuel and power	378,914,673	329,755,306
Salaries, wages and benefits	174,344,984	153,954,901
Stores and spares consumed	33,825,668	21,176,639
Sizing material consumed	72,930,462	54,263,607
Depreciation	79,753,647	56,641,996
Packing material consumed	16,850,024	11,031,506
Insurance	6,528,579	4,720,333
Repairs and maintenance	2,974,345	3,949,257
Electricity duty	4,442,453	1,538,438
Others	7,103,708	5,964,379
Manufacturing cost	4,244,914,465	3,579,606,590
Work-in-process:		
At beginning of period	152,180,194	214,220,851
At end of period	(238,553,188)	(234,627,983)
	(86,372,994)	(20,407,132)
Cost of goods manufactured	4,158,541,471	3,559,199,458
Finished stocks:		
At beginning of period	947,743,542	891,010,214
Cloth purchased / processing charges	25,429,216	562,292
At end of period	(998,163,637)	(1,053,058,504)
	(24,990,879)	(161,485,998)
	4,133,550,592	3,397,713,460

10 TRANSACTIONS WITH RELATED PARTIES

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.

Nature and description of related party transactions during the period along with monetary values are as follows:

Nature of Relationship	Nature of Transaction		
Associated companies	Purchase of goods and services	2,595,188,396	2,097,544,793
	Rent expense	334,818	304,380
	Sale of goods and services	-	152,779
Key Management Personnel	Remuneration and other benefits	17,358,361	14,497,487

There is no balance outstanding to or from associated undertakings as at reporting date.



PROSPERITY WEAVING MILLS LTD.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses 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, 2023			Total
	Level 1	Level 2	Level 3	
	Rs			
Financial assets - at fair value				
Equity Investments designated at FVTOCI	219,273,123	-	-	219,273,123
At September 30, 2023	219,273,123	-	-	219,273,123

	June 30, 2023			
Financial assets - at fair value				
Equity Investments designated at FVTOCI	190,011,871	-	-	190,011,871
At June 30, 2023	190,011,871	-	-	190,011,871

At September 30, 2023 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.

12 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Quarter ended (Un-audited)		
	June 30, 2023	Net Cash flow	September 30, 2023
Rupees.....		
Long term finances	2,454,280,312	(69,247,625)	2,385,032,687
Short term borrowings	1,120,218,955	118,819,255	1,239,038,210
	3,574,499,267	49,571,630	3,624,070,897



PROSPERITY WEAVING MILLS LTD.

13 CORRESPONDING FIGURES

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

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

14 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 26, 2023.

Haroon Shahzada Ellahi Shaikh
Director

Muhammad Tariq Sheikh
Chief Financial Officer

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: October 26, 2023



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