

**THIRD QUARTER REPORT
FOR THE PERIOD ENDED
MARCH 31, 2024
(Un-Audited)**



PROSPERITY WEAVING MILLS LTD.



CONTENTS

Company Information	03
Directors' Review	04
Condensed Interim Statement of Financial Position	08
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	10
Condensed Interim Statement of Cash Flows	11
Condensed Interim Statement of Changes in Equity	13
Notes to the Condensed Interim Financial Statements	14



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



DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the third quarter ended on March 31, 2024. The comparative figures for the corresponding quarter ended on March 31, 2023 are included for comparison, except in statement of financial position where figures are for the year ended on June 30, 2023.

Company Performance

Sales revenue for the quarter under review increased by 30.75% over the SPLY and stood at Rs. 4,962,619,181 compared to Rs. 3,795,503,405. The main reason for increase in sales is rise in per unit selling rate coupled with volume rise. Cost of sales increased from 92.44% of sales during SPLY to 93.57% of sales during the period under review. Increase in cost of sales is mainly due to increase in raw material, energy, labor and store & spares costs. Increase in cost of sales resulted in lower Gross Profit (GP) from 7.56% of sales during SPLY to 6.43% of sales during the period under review.

Operating expenses decreased from 3.69% of sales during SPLY to 3.49% of sales during the quarter under review. Finance costs increased from 1.54% of sales during SPLY to 1.77% of sales during the period under review. Increase in finance costs is mainly due to higher interest rates. The average working capital borrowing has risen because the customers are taking longer to repay. Because of non LTFF long term borrowings, company has to pay the mark up on commercial rates. The company has been able to generate stable cash flows and made timely discharge of its operating liabilities.

Despite challenging business environment, your company has managed to remain profitable and earned after tax profit of Rs. 11,182,136 or 0.23% of sales for the quarter ended March 31, 2024 compared to Rs. 48,823,881 or 1.29% of sales during the same period of last year (SPLY). Earning per share (EPS) for quarter is Rs. 0.61 for the current quarter compared to Rs. 2.64 during the SPLY.

Future Outlook

The textile sector, especially weaving, is facing challenging circumstances. Both global and local fabric markets are experiencing a downturn. Meanwhile, operational expenses, including energy, wages, financial obligations, administrative costs, sizing chemicals, packaging materials and transportation, continue to escalate. The value-added chain is grappling with subdued demand resulting in decreased fabric requirements. Predicting costs while selling products has become a daunting task, primarily due to surging energy expenses. Consequently, profit margins have dwindled and fabric demand remains sluggish. The outlook appears less than promising for the final quarter of the fiscal year 2024.

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, search new export markets, enhance productivity through innovation, efficiency and effective cost management initiatives. The exchange rate is stable and the company is benefitting from reduced interest rates on foreign currency borrowings. We hope that the government will provide energy to the industry on regionally competitive rates. Bank borrowing rates continue to be on higher side pushing up financial costs of the company. Government statistics are showing that the inflation rate is falling steadily. It is hoped that the lower inflation outlook will enable the State Bank of Pakistan to lower the interest rates.



PROSPERITY WEAVING MILLS LTD.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2023-24 (final data of the year), Kapas, (seed cotton) arrivals upto March 31, 2024, at the Ginneries totalled 8.397 million bales compared to 4.912 million bales for the financial year 2022-23 showing increase in arrival of 70.94%.

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 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 gratitude to the bankers for their continued support to the Company.

On behalf of the Board.

Haroon Shahzada Ellahi Shaikh
Director

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: April 29, 2024



ڈائریکٹرز کا جائزہ

ڈائریکٹرز 31 مارچ 2024ء کو مختصر تیسری سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ منجمد عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 31 مارچ 2023ء کو ختم ہونے والی سہ ماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے سینٹمنٹ آف فنانشل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2023ء کو مختصر سال کے لئے ہیں۔

کمپنی کی کارکردگی

زیر جائزہ سہ ماہی کے لئے فروخت آمدنی گزشتہ سال کی اسی مدت سے 30.75 فیصد تک زیادہ ہوئی اور 3,795,503,405 روپے کے مقابلے 4,962,619,181 روپے ہوئی ہے۔ یہ اضافہ بنیادی طور پر پی بیٹ قیمت میں اضافہ اور حجم میں اضافہ کی وجہ سے ہوا ہے۔ فروخت کی لاگت گزشتہ سال کی اسی مدت کے دوران فروخت کی 92.44 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کی 93.57 فیصد ہو گئی۔ فروخت کی لاگت میں اضافہ بنیادی طور پر خام مال، توانائی، مزدوری اور اسٹوریا بنڈ پیئرز کی لاگت میں اضافہ کی وجہ سے ہوا ہے۔ فروخت کی لاگت میں اضافہ کے نتیجے میں مجموعی منافع (GP) گزشتہ سال کی اسی مدت کے دوران فروخت کے 7.56 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کے 6.43 فیصد تک ہو گیا۔

آپریٹنگ اخراجات گزشتہ سال کی اسی مدت میں فروخت کے 3.69 فیصد سے کم ہو کر زیر جائزہ مدت میں فروخت کے 3.49 فیصد تک ہوئے۔ مالی لاگت گزشتہ سال کی اسی مدت میں فروخت کے 1.54 فیصد سے بڑھ کر زیر جائزہ مدت میں فروخت کے 1.77 فیصد تک ہوئے۔ مالی لاگت میں اضافہ کی بنیادی وجہ سود کی زیادہ شرحیں ہیں۔ ورکنگ کیپٹل قرضہ کی اوسط شرح بڑھ گئی ہے کیونکہ کسٹمز ادا کیے جانے میں تاخیر کر رہے ہیں۔ LTFF کی عدم دستیابی کی وجہ سے طویل مدتی قرضوں پر کمپنی کو مارک اپ تجارتی شرحوں پر ادا کرنا پڑتا ہے۔ کمپنی محکم نقدی بہاؤ پیدا کرنے اور اپنے کاروباری واجبات کی بروقت ادائیگی کرنے میں کامیاب رہی۔

مشکل کاروباری ماحول کے باوجود، آپ کی کمپنی منافع بخش رہی اور 31 مارچ 2024ء کو ختم ہونے والی سہ ماہی کے دوران، آپ کی کمپنی نے ٹیکس کے بعد منافع 11,182,136 روپے یا فروخت کے 0.23 فیصد جبکہ گزشتہ سال کی اسی سہ ماہی کے دوران 48,823,881 روپے یا فروخت کا 1.29 فیصد بعد از ٹیکس منافع کمایا۔ زیر جائزہ سہ ماہی کے لئے فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے لئے 2.64 روپے کے مقابلے 0.61 روپے ہے۔

مستقبل کا نقطہ نظر

ٹیکسٹائل سیکٹر بالخصوص ویوگ کو مشکل حالات کا سامنا ہے۔ عالمی اور مقامی فیبرک مارکیٹ دونوں ہی مندی کا شکار ہیں۔ دریں اثنا، آپریٹنگ اخراجات، بشمول توانائی، اجرت، مالی ذمہ داریاں، انتظامی اخراجات، سائزنگ، کیمیکل، پیکیٹنگ میٹریل اور نقل و حمل، بڑھتے ہی جا رہے ہیں۔ ویوایڈ ڈیپین کم طلب کا شکار ہے جس کے نتیجے میں فیبرک کی ضروریات میں کمی واقع ہوئی ہے۔ مصنوعات کی فروخت کے دوران بنیادی طور پر توانائی کے بڑھتے ہوئے اخراجات کی وجہ سے لاگت کا اندازہ لگانا ایک مشکل کام بن گیا ہے۔ نتیجتاً، منافع کا مارجن کم ہو گیا اور فیبرک کی طلب سست ہے۔ مالی سال 2024 کی آخری سہ ماہی کا نقطہ نظر کم امید افزاء دکھائی دیتا ہے۔

کمپنی کو روپوش چیلنج افراط زر اور کم مارجن کے باوجود منافع بخش رہنا ہے۔ آپ کی انتظامیہ موجودہ مشکل صورتحال سے آگاہ ہے اور صارفین کی طلب کو پورا کرنے، نئی درآمدی منڈیوں کی تلاش، جدت، کارکردگی اور لاگت کے مؤثر انتظامی اقدامات کے ذریعے پیداواری صلاحیت کو بڑھانے کے لیے اپنے نقطہ نظر کا مسلسل جائزہ لے رہی ہے۔ زرمبادلہ کی شرح منجمد ہے اور کمپنی غیر ملکی کرنسی قرضوں پر کم شرح سود سے مستفید ہو رہی ہے۔ ہمیں امید ہے کہ حکومت صنعت کو علاقائی سطح پر مسابقتی نرخوں پر توانائی فراہم کرے گی۔ بینک سے قرض لینے کی شرحیں کمپنی کے مالی اخراجات میں اضافہ کر رہی ہیں۔ حکومتی اعداد و شمار بتاتے ہیں کہ مہنگائی کی شرح مسلسل گر رہی ہے۔ امید ہے کہ افراط زر کی شرح کم ہونے سے اسٹیٹ بینک آف پاکستان کو شرح سود کو کم کرنے میں مدد ملے گی۔

پاکستان کاٹن جزا ایسوسی ایشن کی طرف سے فصل سال 2023-24 (سال کے حتمی ڈیٹا) کیلئے جاری کردہ اعداد و شمار کے مطابق 31 مارچ 2024ء تک جزیرہ میں کپاس، (بیج کپاس) کی پینچ مانی سال 2022-23 کی اسی مدت تک سکلے 4.912 بلین گانٹھوں کے مقابلے 8.397 بلین گانٹھیں ہوئی جو کہ 70.94 فیصد کا اضافہ ظاہر کر رہی ہے۔




PROSPERITY WEAVING MILLS LTD.


امید ہے کہ حکومت الگت، پجانے والے مؤثر انداز میں توانائی کی بلا تعطل فراہمی، بقایا سیکڑنیکس اور اکنگٹیکس کی واپسی، افراط زر کی شرح پر کنٹرول، مالی اخراجات کی کمی اور مشینری LCs جو پہلے ہی ریٹائر ہو چکی ہے کے مقابلہ LTFF سہولت کی واگزاری جیسی کاروبار دوست پالیسیاں لانے کی۔ حکومتی پالیسیاں نیکسٹائل سیکڑنیکس و بیویو جین کی تکمیل کی حوصلہ افزاء، ہونی چاہئیں تاکہ ملک تیار مصنوعات کو 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 نیکرز اور دیگر حصہ داروں کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ


رضالہی شیخ
چیف ایگزیکٹو آفیسر


ہارون شہزادہ الہی شیخ
ڈائریکٹر
لاہور: 29 اپریل 2024ء



PROSPERITY WEAVING MILLS LTD.


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	Un-Audited March 31, 2024	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	184,800,000	184,800,000
Reserves	1,850,280,963	1,745,895,073
Revaluation surplus on land	<u>102,840,634</u>	<u>102,840,634</u>
TOTAL EQUITY	2,137,921,597	2,033,535,707
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	4 1,797,119,778	2,111,368,970
Employees retirement benefits	246,201,337	218,458,386
Deferred taxation	116,980,598	131,389,532
	<u>2,160,301,713</u>	<u>2,461,216,888</u>
CURRENT LIABILITIES		
Trade and other payables	953,142,046	882,612,563
Accrued interest / mark-up	70,519,685	108,019,560
Short term borrowings	5 1,100,097,843	1,120,218,955
Current portion of long term finances	4 425,347,738	342,911,342
Unclaimed dividend	7,102,793	6,762,629
Provision for Taxation	35,171,030	14,813,046
	<u>2,591,381,135</u>	<u>2,475,338,095</u>
TOTAL LIABILITIES	4,751,682,848	4,936,554,983
CONTINGENCIES AND COMMITMENTS	6	
TOTAL EQUITY AND LIABILITIES	<u>6,889,604,445</u>	<u>6,970,090,690</u>

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

Lahore: April 29, 2024


Haroon Shahzada Ellahi Shaikh
Director


Muhammad Tariq Sheikh
Chief Financial Officer



PROSPERITY WEAVING MILLS LTD.

	Un-Audited March 31, 2024	Audited June 30, 2023
NoteRupees.....	
ASSETS		
NON-CURRENT ASSETS		
Property plant & equipment	7 3,128,396,600	3,345,297,817
Long term deposits	15,039,000	15,039,000
	3,143,435,600	3,360,336,817
CURRENT ASSETS		
Stores, spare parts and loose tools	190,860,839	116,773,484
Stock-in-trade	1,508,382,919	1,604,376,705
Trade receivables	1,657,774,588	1,325,398,504
Advances	24,367,120	40,055,566
Short term prepayments	13,891,231	2,985,034
Other receivables	19,331,641	1,873,635
Sales tax refundable	46,076,832	236,655,037
Other financial assets	8 209,048,092	190,011,871
Cash and bank balances	76,435,581	91,624,037
	3,746,168,845	3,609,753,873
TOTAL ASSETS	<u>6,889,604,445</u>	<u>6,970,090,690</u>

The annexed explanatory notes from 1 to 15 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 NINE MONTHS ENDED MARCH 31, 2024

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees.....	Rupees.....	
Revenue from contracts with customers	9	14,028,432,922	10,938,914,570	4,962,619,181	3,795,503,405
Cost of sales	10	(13,084,644,868)	(10,138,059,833)	(4,643,452,514)	(3,508,415,457)
Gross profit		943,788,054	800,854,737	319,166,667	287,087,948
Distribution cost		(319,927,508)	(271,679,513)	(128,553,088)	(95,813,299)
Administrative expenses		(118,726,003)	(102,526,240)	(39,269,667)	(36,549,847)
Other operating expenses		(19,781,901)	(22,383,206)	(5,231,399)	(7,731,892)
		(458,435,412)	(396,588,959)	(173,054,154)	(140,095,038)
		485,352,642	404,265,778	146,112,513	146,992,910
Other income		35,634,127	16,127,289	9,859,991	6,445,491
Operating profit		520,986,769	420,393,067	155,972,504	153,438,401
Finance cost		(325,792,768)	(167,542,751)	(88,085,076)	(58,422,356)
Profit before taxation		195,194,001	252,850,316	67,887,428	95,016,045
Provision for taxation		(157,436,788)	(126,926,183)	(56,705,292)	(46,192,164)
Profit after taxation		37,757,214	125,924,133	11,182,136	48,823,881
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		122,068,676	(31,363,874)	10,636,260	(5,741,157)
Total comprehensive income for the period		159,825,890	94,560,259	21,818,396	43,082,724
Earnings per share - basic and diluted		2.04	6.81	0.61	2.64

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

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: April 29, 2024



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended	
	March 31, 2024	March 31, 2023
Rupees.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	195,194,001	252,850,316
Adjustments for:		
Depreciation of property, plant and equipment	247,810,462	182,929,987
Provision for employee benefits	59,174,946	36,002,012
Gain on disposal of property, plant and equipment	(1,327,943)	(1,532,662)
Gain on sale of other Financial assets at FVTPL	(329,577)	(200,761)
Dividend income	(33,976,607)	(14,393,865)
Finance cost	325,792,768	167,542,751
Operating cash flow before working capital changes	792,338,051	623,197,778
Changes in working capital		
(Increase) / decrease in:		
Stores, spare parts and loose tools	(74,087,355)	(33,229,071)
Stock-in-trade	95,993,786	444,313,826
Trade receivables	(332,376,084)	(211,545,772)
Advances	15,688,446	(8,599,311)
Short-term prepayments	(10,906,197)	(14,598,994)
Other receivables	(17,458,006)	(666,044)
Sales tax refundable	190,578,205	81,135,511
	(132,567,207)	256,810,146
Increase/ (decrease) in Trade and other payables	70,529,483	(3,587,200)
Cash generated from operations	730,300,327	876,420,724
Employee benefits paid	(31,431,995)	(16,590,946)
Finance cost paid	(363,292,643)	(130,750,974)
Income taxes paid	(151,487,738)	(139,772,929)
Net cash generated from operating activities	184,087,951	589,305,875



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended	
	March 31, 2024	March 31, 2023
Rupees.....	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(32,355,302)	(978,052,321)
Proceeds from disposal of property, plant and equipment	2,774,000	2,760,000
Purchase of other financial assets	(486,976,311)	(96,054,149)
Proceeds from sale of other financial assets	590,338,343	96,254,910
Dividend received	33,976,607	14,393,865
Net cash generated from/(used in) investing activities	107,757,337	(960,697,695)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	7,069,000	812,457,700
Repayment of long term finances	(238,881,796)	(234,409,014)
Short term borrowings excluding running finance and bank overdraft	320,183,706	(370,170,297)
Dividend paid	(55,099,836)	(91,991,278)
Net cash generated from financing activities	33,271,074	115,887,112
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	325,116,362	(255,504,709)
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	(703,478,556)	(960,146,498)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	76,435,581	25,790,393
Running finance	(695,434,136)	(941,558,000)
Bank overdraft	(84,480,001)	(44,378,892)
	(703,478,556)	(960,146,498)

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

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: April 29, 2024



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Issued, Subscribed and paid up share capital	Capital reserves			Revenue Reserve	Total
		Amalgamation reserve	Revaluation surplus on land	Fair value reserve	Unappropriated profit	
-----Rupees-----						
Balance as 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	-	-	-	-	125,924,133	125,924,133
Other comprehensive (Loss)	-	-	-	(31,363,874)	-	(31,363,874)
Total comprehensive (loss)/income for the period	-	-	-	(31,363,874)	125,924,133	94,560,259
Transactions with owners						
Final dividend @ 50% i.e. Rs 5 per share for the year ended June 30, 2022	-	-	-	-	(92,400,000)	(92,400,000)
Balance as at March 31, 2023 - Un-audited	184,800,000	16,600,000	102,840,634	(111,419,589)	1,825,258,480	2,018,079,525
Comprehensive income						
Profit after taxation	-	-	-	-	27,204,691	27,204,691
Other comprehensive Income	-	-	-	-	(17,233,933)	(17,233,933)
Other comprehensive Income - net of tax	-	-	-	5,485,424	-	5,485,424
Total comprehensive income for the period	-	-	-	5,485,424	9,970,758	15,456,182
Balance as 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	-	-	-	-	37,757,214	37,757,214
Other comprehensive Income	-	-	-	122,068,676	-	122,068,676
Transfer of gain on disposal of equity investment at FVTOCI to unappropriated profit	-	-	-	(7,008,671)	7,008,671	-
Total comprehensive income for the period	-	-	-	115,060,005	44,765,885	159,825,890
Transactions with owners						
Final dividend @ 30% i.e. Rs. 3 per share for the year ended June 30, 2023	-	-	-	-	(55,440,000)	(55,440,000)
Balance as at March 31, 2024 - Un-audited	184,800,000	16,600,000	102,840,634	9,125,840	1,824,555,123	2,137,921,597

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

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: April 29, 2024



PROSPERITY WEAVING MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 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 Building 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, 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 nine months ended March 31, 2023.



PROSPERITY WEAVING MILLS LTD.

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.

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the company's annual accounting periods beginning on or after July 1, 2023. However, these will not have any significant effects on the company's operations and are, therefore, not detailed in these condensed interim financial statements.

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.

Note	Un-Audited March 31, 2024	Audited June 30, 2023
	-----Rupees-----	

4 LONG TERM FINANCES

From banking companies

Opening balance	2,454,280,312	1,945,479,251
Obtained during the period / year	7,069,000	812,457,700
Repayments made during the period / year	(238,881,796)	(303,656,640)
	<u>2,222,467,516</u>	<u>2,454,280,312</u>
Less: Current portion shown under current liabilities	(425,347,738)	(342,911,342)
	<u>1,797,119,778</u>	<u>2,111,368,970</u>



PROSPERITY WEAVING MILLS LTD.

	Note	Un-Audited March 31, 2024	Audited June 30, 2023
-----Rupees-----			
5	SHORT TERM BORROWING		
	From banking companies:		
	Running finance - secured	695,434,136	1,010,806,510
	Bank overdraft - unsecured	84,480,001	109,412,445
	Foreign currency loans - secured	320,183,706	-
		1,100,097,843	1,120,218,955
6	CONTINGENCIES AND COMMITMENTS		
6.1	Contingencies		
	There is no significant change in the status of contingencies as disclosed in note 13.1 & 13.2 of the audited financial statements for the year ended June 30, 2023.		
6.2	Commitments		
	Irrevocable letters of credit for:		
	Non-capital expenditures	295,510,341	23,562,265
	Short term lease - Payable within one year	1,460,657	964,896
		296,970,998	24,527,161
7	PROPERTY PLANT & EQUIPMENT		
	Operating fixed assets - Owned	3,120,472,873	3,345,297,817
	Capital work in progress	7,923,727	-
		3,128,396,600	3,345,297,817



PROSPERITY WEAVING MILLS LTD.

Note	Un-Audited March 31, 2024	Audited June 30, 2023
------	---------------------------------	-----------------------------

-----Rupees-----

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	6,527,175	94,785,118
Plant and machinery	-	1,006,963,542
Electric installation	-	51,568,264
Factory equipment	2,201,200	14,147,146
Furniture and fixtures	125,000	1,318,890
Office equipment	686,000	259,400
Vehicles	14,892,200	3,454,987
	24,431,575	1,172,497,347
Written down value of property, plant and equipment disposed off	(1,446,057)	(1,568,753)
Depreciation charged during the period / year	(247,810,462)	(254,406,793)
Written down value at end of the period / year	3,120,472,873	3,345,297,817

8 OTHER FINANCIAL ASSETS

Investments classified as FVTOCI

Equity investments	8.1	209,048,092	190,011,871
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8.1 Reconciliation between fair value and cost of investments classified at FVTOCI

Fair value of investments			
-in listed equity securities		209,048,092	190,011,871
Un-realised (Gain)/Loss on remeasurement of investments		(9,125,840)	105,934,165
Cost of investment		199,922,252	295,946,036



PROSPERITY WEAVING MILLS LTD.

	Nine Months Ended (Un-Audited)		Quarter Ended (Un-Audited)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Rupees.....	Rupees.....	
9 Revenue from contracts with customer				
Export				
Cloth	4,536,156,594	4,405,916,686	1,712,308,597	1,715,913,041
Add: Export rebate	360,203	914,343	-	321,847
	<u>4,536,516,797</u>	<u>4,406,831,029</u>	<u>1,712,308,597</u>	<u>1,716,234,888</u>
Local				
Cloth	10,979,431,731	7,519,792,633	3,759,036,117	2,398,252,595
Yarn	12,099,720	362,937	1,378,240	-
Waste	192,066,902	132,685,278	62,429,963	45,287,352
	<u>11,183,598,353</u>	<u>7,652,840,848</u>	<u>3,822,844,321</u>	<u>2,443,539,947</u>
Less: Sales tax on sales	(1,691,682,228)	(1,120,757,307)	(572,533,737)	(364,271,431)
	<u>9,491,916,125</u>	<u>6,532,083,541</u>	<u>3,250,310,584</u>	<u>2,079,268,517</u>
Total	<u>14,028,432,922</u>	<u>10,938,914,570</u>	<u>4,962,619,181</u>	<u>3,795,503,405</u>
10 COST OF SALES				
Raw material consumed	10,316,072,920	8,058,258,866	3,478,223,849	2,475,910,212
Fuel and power	1,189,094,062	827,177,652	425,836,362	270,551,108
Salaries, wages and benefits	586,667,588	449,799,618	203,527,206	148,831,643
Stores and spares consumed	107,238,105	90,854,822	47,204,999	33,515,151
Sizing material consumed	225,256,571	171,471,933	78,574,545	57,225,462
Depreciation	239,443,103	174,529,264	79,899,121	60,094,453
Packing material consumed	51,891,680	35,378,055	17,328,462	13,413,423
Insurance	19,289,803	14,215,739	6,145,872	4,755,726
Repairs and maintenance	7,402,354	8,242,168	2,246,157	921,305
Electricity duty	13,889,037	5,900,716	4,697,109	2,374,780
Others	22,768,717	17,181,343	7,912,967	5,862,958
Manufacturing cost	<u>12,779,013,940</u>	<u>9,853,010,176</u>	<u>4,351,596,649</u>	<u>3,073,456,219</u>
Work-in-process:				
At beginning of period	152,180,194	214,220,851	267,394,868	239,097,814
At end of period	(215,829,344)	(222,929,086)	(215,829,344)	(222,929,086)
	<u>(63,649,150)</u>	<u>(8,708,235)</u>	<u>51,565,524</u>	<u>16,168,728</u>
Cost of goods manufactured	<u>12,715,364,790</u>	<u>9,844,301,941</u>	<u>4,403,162,173</u>	<u>3,089,624,947</u>
Finished stocks:				
At beginning of period	947,743,542	891,010,214	920,667,009	1,020,602,008
Cloth purchased / processing charges	102,110,782	5,697,847	197,578	1,138,671
At end of period	(680,574,246)	(602,950,169)	(680,574,246)	(602,950,169)
	<u>369,280,078</u>	<u>293,757,892</u>	<u>240,290,341</u>	<u>418,790,510</u>
	<u>13,084,644,868</u>	<u>10,138,059,833</u>	<u>4,643,452,514</u>	<u>3,508,415,457</u>



PROSPERITY WEAVING MILLS LTD.

11 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors of the company and key management personnel. The Company in the normal course of business enters into transactions with various related parties. 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:

		Nine Months Ended (Un-Audited)	
		March 31,	March 31,
		2024	2023
	Rupees.....	
Nature of Relationship	Nature of Transaction		
Associated companies	Purchase of goods and services	7,168,455,402	5,504,820,198
	Sale of goods and services	1,515,351	152,779
	Dividend paid	16,737,849	27,896,415
Key management personnel	Remuneration and other benefits	46,089,142	40,428,272
	Payment of Dividend to directors and their close family members	31,712,940	53,047,815

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

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments are 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 (i.e, as prices) or indirectly (i.e, derived from prices).

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



PROSPERITY WEAVING MILLS LTD.

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

Financial assets - at fair value	March 31, 2024			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
-Equity investments designated at FVTOCI	209,048,092	-	-	209,048,092
As at March 31, 2024	209,048,092	-	-	209,048,092

Financial assets - at fair value	June 30, 2023			
	Level 1	Level 2	Level 3	Total
-Equity investments designated at FVTOCI	190,011,871	-	-	190,011,871
As at June 30, 2023	190,011,871	-	-	190,011,871

At March 31, 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

	Nine Months Ended (Un-Audited)		
	June 30, 2023	Net Cash flow	March 31, 2024
	-----Rupees-----		
Long term finances	2,454,280,312	(231,812,796)	2,222,467,516
Short term borrowings	1,120,218,955	(20,121,112)	1,100,097,843
	3,574,499,267	(251,933,908)	3,322,565,359

14 CORRESPONDING FIGURES

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

14.2 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 April 29, 2024.

Haroon Shahzada Ellahi Shaikh
Director

Muhammad Tariq Sheikh
Chief Financial Officer

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: April 29, 2024



PROSPERITY WEAVING MILLS LTD.

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