

2022 ANNUAL REPORT



Prosperity Weaving Mills Limited





CONTENTS

Company Information	2
Notice of Annual General Meeting	3
Vision and Mission Statement	8
Chairman Review Report	15
Directors' Report to the Members	12
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	23
Shareholders' Information	25
Pattern of Shareholding	28
Key Financial Information	30
Independent Auditors' Review Report to the Members on the Statement of Compliance contained in listed companies (Code of Corporate Governance) Regulations, 2019	31
Independent Auditors' Report to the Members	32
Statement of Financial Position	36
Statement of Profit or Loss and Other Comprehensive Income	38
Statement of Cash Flows	39
Statement of Changes in Equity	40
Notes to the Financial Statements	41
Form of Proxy	77

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Shahzada Ellahi Shaikh Ms. Parveen Akhter Malik Mr. Arfa Waheed Malik Mr. Aneeq Khawar Mr. Javaid Bashir Sheikh Mr. Shaukat Ellahi Shaikh Mr. Shafqat Ellahi Shaikh Mr. Amin Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh Mr. Raza Ellahi Shaikh	Non-Executive Director / Chairman Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Executive Director
MANAGING DIRECTOR (Chief Executive)	Mr. Raza Ellahi Shaikh	
AUDIT COMMITTEE	Ms. Parveen Akhter Malik Mr. Amin Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh Mr. Syed Mohsin Gilani	Chairperson Member Member Secretary
HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE	Ms. Parveen Akhter Malik Mr. Raza Ellahi Shaikh Mr. Amin Ellahi Shaikh Mr. Muhammad Azam	Chairperson Member Member Secretary
EXECUTIVE COMMITTEE	Mr. Raza Ellahi Shaikh Mr. Shahzada Ellahi Shaikh Mr. Amin Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh Mr. Muhammad Azam	Chairman Member Member Member 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. 1 st Floor, H.M. House 7-Bank Square, Lahore Phone # 042-37235081-2 Fax # 042-37358817	
MILLS	13.5 K.M Sheikhupura Sharaqpur Road, Sheikhupura	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of members of PROSPERITY WEAVING MILLS LTD. will be held at the Registered Office of the Company situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660 on **Thursday, October 27, 2022** at 11:00 a.m to transact the following business:-

ORDINARY BUSINESS

- 1) To confirm minutes of the Annual General Meeting held on October 28, 2021.
- 2) To receive, consider and adopt Audited Financial statement of the Company together with the Chairman's Review Report, Directors' and Auditors' reports thereon for the year ended June 30, 2022.
- 3) To approve and declare final cash dividend at Rs.5/- per share i.e.50% for the year ended June 30, 2022, as recommended by the Board of Directors.
- 4) To appoint Auditors for the year ending on June 30, 2023 and fix their remuneration.

SPECIAL BUSINESS

- 5) To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2022 and authorize the Board of Directors of the Company to approve transactions with related parties by passing the following special resolutions with or without modifications:
 - a) "**RESOLVED** that the transactions conducted with Related Parties as disclosed in Note 39 & 39.1 of the financial statements for the year ended June 30, 2022 be and are hereby ratified, approved and confirmed"
 - b) "**FURTHER RESOLVED** that the Board of Directors of the Company be and is authorized to approve all related party transactions to be carried out during the financial year 2023. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval."
- 6) To transact any other ordinary business with the permission of the Chair.

Statements under Section 134 (3) pertaining to the special business of the Companies Act, 2017 and under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 are annexed.

By Order of the Board



Syed Mohsin Gilani
Corporate Secretary

Lahore: September 28, 2022

NOTES:

- 1) The share transfer books for ordinary shares of the Company will be closed from Friday, October 21, 2022 to Thursday, October 27, 2022 (both days inclusive). Valid transfer(s) received in order by our Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore by the close of business on Thursday, October 20, 2022 will be in time to be passed for payment of dividend to the transferee(s).
- 2) A member entitled to attend and vote at the General Meeting is entitled to appoint another member as proxy. Proxies, in order to be effective, must be received at the Company's registered office not less than forty-eight (48) hours before the time of meeting. Members through CDC appointing proxies must attach attested copy of their Computerized National Identity Card (CNIC) with the proxy form.
- 3) The shareholders through CDC, who wish to attend the Annual General Meeting are requested to please bring, original CNIC with copy thereof duly attested by their bankers, account number and participant I.D number for identification purpose.
- 4) In case of corporate entity, certified copy of the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.
- 5) Shareholders interested in attending the AGM either physically or through Zoom application are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest but not later than 48 hours before the time of AGM through following means:
 - a) Mobile/WhatsApp: 0333-4524559
 - b) E-mail: prosperity-agm22@nagina.com

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification. Member wishing to attend in person must also provide a copy of their vaccination certificates at the above e-mail address. Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone/computer devices. In view of the above, the Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

The Company reserves the right to refuse entry to any member who has not pre-registered for physical attendance or is not carrying their vaccination card with them. These measures are necessary to ensure the safety and the health of all present.

- 6) In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the particulars relating to name, folio number, bank account number, IBAN Number, title of account and complete mailing address of the bank directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS).

In case of non-receipt of above information, the dividend shall be withheld.

- 7) The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:
- | | |
|--|-----|
| i) Rate of Withholding Income Tax deduction for the persons whose names are appearing on ATL. | 15% |
| ii) Rate of Withholding Income Tax deduction for the persons whose names are not appearing on ATL. | 30% |

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not appearing on Active Taxpayers' List (ATL) available on the website of FBR are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on "Filer/ Non-Filer" status of principal shareholder as well as joint-holders (s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in writing, within 10 days of this notice, otherwise it will be assumed that the shares are equally held by principal shareholder and joint-holder(s).

- 8) Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore. Corporate Members are requested to provide their National Tax Number (NTN) and folio number thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued there under.
- 9) Shareholders are requested to contact the Registered Office of the Company or the Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore for collection of their unclaimed shares / unpaid dividend which they have not received due to any reasons.
- 10) The financial statements for the year ended June 30, 2022 shall be uploaded on the Company's website www.nagina.com twenty-one days prior to the date of holding of annual general meeting.
- 11) Pursuant to SECP Notification S.R.O. 787(I)/ 2014 dated September 8, 2014, members may inform the Company to receive the Audited Financial Statements and notices through e-mail by submitting Standard Request Form available on Company's website.
- 12) Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

- 13) If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.
- 14) As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30, 2017.

The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

- 15) Members are requested to promptly notify the Company of any change in their registered address.

STATEMENT U/S 134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special businesses to be transacted at the Annual General Meeting (AGM) of Prosperity Weaving Mills Limited, (the "Company" or "PWML") to be held on **Thursday, October 27, 2022** at 11:00 a.m at registered office of the Company.

1. Agenda item No. 5 (a) - Ratification and Approval of Related Party Transactions

All the transactions carried out by the Company with related parties during the financial year ended June 30, 2022 given in the related party note 39 & 39.1 of the Annual Financial Statements of the Company for the year ended June 30, 2022,

The Company carried out transactions with Related Parties on arm's length basis as per the approved Related Party Transactions Policy in the normal course of business and periodically reviewed by the Board Audit Committee pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

The transactions with related parties have been approved by the Board in the quarterly / annual financial statements during the fiscal year 2021-22, however, the Board decided to place above related party transaction concluded during the fiscal year 2021-22 before the shareholders in AGM for ratification and approval due to the interests/concerns of some of the directors due to common directorship.

2. Agenda item No. 5 (b) - Authorization for the Board of Directors to approve related party transactions during the financial year ending June 30, 2023

The Company shall be conducting transactions with the related parties during the year ending June 30, 2023 in the ordinary course of business and at arm's length basis under the policy of the Company for related party transactions. All transactions entered into or to be entered into with related parties require the approval of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions shall be placed before the Board of Directors for approval. In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties for the year ending June 30, 2023, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/approval. The Directors are interested in the resolutions only to the extent of their common directorship in such related parties.

STATEMENT UNDER RULE 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

a) Total investment approved;	Rs.100,000,000/= (Rupees one hundred million only) to each of the following associated company: i) Nagina Cotton Mills Ltd. (NCML) ii) Ellcot Spinning Mills Ltd. (ESML)																																			
b) Amount of investment made to date;	Nil																																			
c) Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time; and	Due to better cash flows, the associated companies did not need funds envisaged u/s 199 of the Companies Act, 2017. Therefore, no investment transaction took place during the year 2021-22.																																			
d) Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	<table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">Present Financial Position as on June 30, 2022</th> <th colspan="2" style="text-align: center;">Financial Position at the time of Approval as on June 30, 2020</th> </tr> <tr> <th></th> <th style="text-align: center;">NCML</th> <th style="text-align: center;">ESML</th> <th style="text-align: center;">NCML</th> <th style="text-align: center;">ESML</th> </tr> <tr> <th></th> <th colspan="4" style="text-align: center;">Rupees in Millions</th> </tr> </thead> <tbody> <tr> <td>Net sales</td> <td style="text-align: right;">11,235.579</td> <td style="text-align: right;">10,873.425</td> <td style="text-align: right;">7,070.172</td> <td style="text-align: right;">6,152.929</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">2,507.668</td> <td style="text-align: right;">2,148.878</td> <td style="text-align: right;">593.821</td> <td style="text-align: right;">757.673</td> </tr> <tr> <td>Profit before tax</td> <td style="text-align: right;">1,826.779</td> <td style="text-align: right;">1,629.169</td> <td style="text-align: right;">100.2784</td> <td style="text-align: right;">361.369</td> </tr> <tr> <td>Profit after tax</td> <td style="text-align: right;">1,812.562</td> <td style="text-align: right;">1,231.300</td> <td style="text-align: right;">7.629</td> <td style="text-align: right;">225.879</td> </tr> </tbody> </table>		Present Financial Position as on June 30, 2022		Financial Position at the time of Approval as on June 30, 2020			NCML	ESML	NCML	ESML		Rupees in Millions				Net sales	11,235.579	10,873.425	7,070.172	6,152.929	Gross profit	2,507.668	2,148.878	593.821	757.673	Profit before tax	1,826.779	1,629.169	100.2784	361.369	Profit after tax	1,812.562	1,231.300	7.629	225.879
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Vision:

To be the market leader by being the best and providing the best.

Mission:

Being one of the leading manufacturers of high quality greige fabric for apparel and home furnishing, we are committed to high quality product and customer satisfaction.

Our mission is to continually improve our products and services for our worldwide customers and to provide a better return to our shareholders.

We believe in keeping our production facilities equipped with the modern technologies by continuous upgrading to be competitive in the markets.

We strive towards building long-term and better relationship with our suppliers.

We care for our employees by providing them a healthy and safe working environment and opportunity for growth through learning and experience.

We do have a social responsibility towards our community in which we operate and we are committed to safety, health and environment in all our operations.

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES

The Board of Directors (the Board) of Prosperity Weaving Mills Limited (PWML) has performed their duties diligently in upholding the best interest of shareholders of the Company and has managed the affairs of the Company effectively and efficiently. The Board has exercised its powers and has performed its duties in compliance with Companies Act 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code). During the financial year 2021-22 the Board achieved its objectives by performing the following functions:

- Actively participated in the strategic planning process, enterprise risk management system, policy development, and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee. In case the majority of the Directors either directly, or indirectly becomes interested in related party transactions due to Group's structure; accordingly, additional approval from shareholders in respect of transactions with a related party shall be obtained in the Annual General Meeting so that the Company can carry its business smoothly;
- Reviewed the effectiveness of internal control system through self-assessment mechanism and / or internal audit activities;
- Approved the director's report, quarterly and annual financial statements and ensured that the content of the directors' report are in accordance with the requirement of applicable laws and regulations;
- Ensured the hiring, evaluation and compensation of quality professionals with focus on creating a work environment with equal opportunity for all
- Ensured the timely dissemination of information among its members and that the Board members are kept abreast of developments between meetings;
- Exercised its powers in light of the power assigned to the Board as per the relevant laws and regulations applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulations in terms of their conduct as directors and exercising their powers and decision making; and
- Necessary Board agenda and related supporting documents were duly made available to the board in sufficient time before the Board and its Committee Meetings. The non-executive and independent directors are equally involved in important decisions of the board.



The annual evaluation of the Board's performance is assessed based on the key areas where the Board requires clarity to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risks faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of PWML has played a key role in ensuring that the Company objectives are not only achieved but also exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.

A handwritten signature in black ink, appearing to read "Shahzada Ellahi Shaikh".

Shahzada Ellahi Shaikh
Chairman

Lahore: September 28, 2022

بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے مٹوٹر کردار پر چیئر مین کی جائزہ رپورٹ

پراسپیریٹی ویونگ ملز لمیٹڈ (PWML) کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصہ داروں کے بہترین مفاد کو برقرار رکھنے میں اپنی ذمہ داریاں تندہی سے انجام دیے ہیں اور کمپنی کے امور کو مٹوٹر اور بروقت انداز سے منظم کیا ہے۔ بورڈ نے یکم اپریل 2017 اور یکم اپریل 2019 (کوڈ) کی تعمیل میں اپنے فرائض سرانجام دیے ہیں۔ مالی سال 2021-22 کے دوران بورڈ نے درج ذیل کام سرانجام دے کر اپنے مقاصد حاصل کئے:

- اسٹریٹجک منصوبہ بندی کے عمل، ادارے کو لاحق خطرات کا انتظامی نظام، پالیسی ڈویلپمنٹ، اور مالیاتی ساخت کی نگرانی اور منظوری میں فعال طور پر حصہ لیا ہے۔
 - سال بھر میں تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے روبرو کاروباری فیصلہ سازی کے عمل کو مضبوط بنانے کے لئے پیش کئے گئے اور خاص طور پر کمپنی کی طرف سے کئے گئے تمام متعلقہ پارٹی کے ساتھ لین دین کو آڈٹ کمیٹی کی سفارشات پر بورڈ نے منظوری دی۔ اگر ڈائریکٹرز کی اکثریت براہ راست یا بالواسطہ طور پر گروپ کے مٹوٹر کی وجہ سے متعلقہ فریق کے لین دین میں دلچسپی رکھتی ہے، اس کے مطابق، متعلقہ فریق کے ساتھ لین دین کے سلسلے میں حصص یافتگان سے اضافی منظوری سالانہ اجلاس عام میں حاصل کی جائے گی تاکہ کمپنی اپنے کاروبار کو آسانی سے چلا سکے۔
 - اس بات کو یقینی بنایا ہے کہ اندرونی کنٹرول کا مناسب نظام موجود ہے اور خود تشخیصی طریقہ کار اور یا انٹرنل آڈٹ سرگرمیوں کے ذریعے اس کی باقاعدگی سے جانچ پڑتال کی جاتی ہے۔
 - ڈائریکٹرز کی رپورٹ، سہ ماہی اور سالانہ مالیاتی گوشواروں کی منظوری دی اور اس بات کو یقینی بنایا کہ ڈائریکٹرز کی رپورٹ کا مواد قابل اطلاق قوانین اور ضوابط کے تقاضوں کے مطابق ہے۔
 - سب کے لیے یکساں مواقع کے ساتھ کام کا ماحول بنانے پر توجہ کے ساتھ پیشہ ورانہ افراد کی معیاری خدمات حاصل کرنے، تشخیص اور معاوضے کو یقینی بنایا۔
 - اپنے اراکین کے درمیان بروقت طریقے سے تسلی بخش معلومات کے تبادلے کو یقینی بنایا اور بورڈ کے ممبران کو اجلاس کے درمیان ڈویلپمنٹ بارے میں لمحہ بہ لمحہ باخبر رکھا گیا ہے۔
 - کمپنی پر قابل اطلاق متعلقہ قوانین اور قواعد و ضوابط کی روشنی میں دئے گئے اختیارات کے مطابق اپنے اختیارات کا استعمال کیا ہے اور بورڈ نے ہمیشہ بحیثیت ڈائریکٹرز اپنے اختیارات کے استعمال اور فیصلہ سازی کرنے کے برتاؤ میں تمام قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل کو ترجیح دی ہے اور
 - بورڈ اور اس کی ذیلی کمیٹی کی میٹنگ سے مناسب قبل از وقت، ضروری ایجنڈا اور اس سے متعلق دستاویزات مہیا کیے گئے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بورڈ کے اہم فیصلوں میں برابر کے شریک ہیں۔
- بورڈ کی سالانہ کارکردگی اہم شعبوں پر مبنی ہے جہاں بورڈ کو اعلیٰ درجے کی نگرانی مہیا کرنے بشمول اسٹریٹجک عمل، کلیدی کاروباری امور، سنگ میلو کی تکمیل، عالمی معاشی ماحول اور مسابقتی سیاق و سباق جس میں کمپنی کام کرتی ہے، کمپنی کے کاروبار کو درپیش خطرات، بورڈ کے محرکات، صلاحیت اور معلومات مہیا کرنے کے لئے وضاحت دینے کی ضرورت ہوتی ہے۔ مذکورہ بالا کی بنیاد پر، یہ مناسب طور پر کہا جاسکتا ہے کہ PWML کے بورڈ نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ کمپنی کے مقاصد کو نہ صرف حاصل کیا جاسکتا ہے، بلکہ بورڈ اور اس کے ارکان کی راہنمائی اور نگرانی کے ذریعہ انتظامیہ کی مشترکہ کوششوں کے ساتھ توقعات سے بھی آگے بڑھایا جاسکتا ہے۔



شہزادہ الہی شیخ

چیئر مین

لاہور: 28 ستمبر 2022

DIRECTORS' REPORT TO THE MEMBERS

The Directors have the honour to present 31st Annual Report of your Company together with Audited Financial Statements and Auditors' Report thereon for the year ended June 30, 2022. Figures for the previous year ended June 30, 2021 are included for comparison.

Financial Results

Alhamdulillah, the company remained profitable despite many economic challenges. The profit after tax stood at Rs. 349,904,297 or 2.72% of sales compared to Rs. 641,576,754 or 7.87% of sales during Same Period of Last Year (SPLY). Earning per share (EPS) remained at Rs. 18.93 in the year under review compared to Rs. 34.72 during the corresponding last year. Lower profits for the year are due to colossal increase in raw material, energy and labour costs.

Sales revenue for the year was Rs. 12,860,618,823 compared to Rs. 8,150,567,189 showing increase of 57.79% over the SPLY. Overall fabric production was higher because of new capacity addition by 26 new looms during the year. Revenue increase was combination of price increase as well as volume increase. Cost of sales increased from 85.66% of sales during SPLY to 91.48% of sales during the year under review. Consequently, Gross Profit (GP) has reduced to 8.52% during the period under review as compared to 14.34% during the SPLY.

Overall operating expenses decreased from 3.87% of sales during SPLY to 3.07% of sales during the year under review. However, sea freights were abnormally high because of global port disruptions.

The Company has been able to generate stable cash flows and made timely discharge of its operating and financial liabilities. Due to lower short-term borrowings and repayment of long-term loans, finance cost reduced from 1.09% of sales during SPLY to 0.91% during the period under review.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2022-23, Kapas, (seed cotton) arrivals up to September 01, 2022, at the Gineries totaled 1.540 million bales compared to 1.791 million bales for the year 2021-22 showing decrease in arrival of 14.04%.

Capital Assets Investment

Your company is continuing to pursue a BMR and expansion program. During the year, 26 new looms have been installed and started production. The company has opened LCs for import of 48 new looms along with related machinery. It is hoped that 48 loom expansion project will be completed by 3rd quarter of current fiscal year. During the year under review, your Company has invested Rs. 492,028,368 (2021: Rs. 452,341,780) in the Expansion, Balancing, Modernization and Replacement (BMR) of building, plant and machinery and related assets.

Future Prospects and Outlook

The financial year 2021-22 was marked by extreme volatility in sales prices of fabrics and purchase prices of inputs. Rupee depreciation against the USD was alarming at more than 30 percent. Raw cotton shortage triggered imports at very high costs. Resultantly, yarn prices surged and diminished margins for weaving businesses. Energy shortages particularly in gas, electricity load shedding and rising prices of both gas and electricity added to the difficulties. Our customers complained of sudden drop in demand for finished goods in the fourth quarter putting downward pressure on fabric prices. The Russia/Ukraine conflict also cast its shadow. The very high sea freights and continuing logistical problems were an added source of distress. Unfortunately, all these factors have further intensified and depressed the outlook for the 2022-23 financial year.

The 2022-23 financial year has started with a significant drop in demand for fabrics. Our customers in the finished goods sector have delayed lifting of sold goods and delayed payments for already lifted goods. Therefore, finished product inventory is rising and forcing higher short-term borrowings. The State Bank of Pakistan (SBP) policy rate of 15% will significantly raise the financial costs. Long-term borrowing costs have also been raised by the SBP on the long-term financing facility (LTFF). Disbursements of LTFF loans are delayed causing further rise in financial costs. Company is also facing difficulty in establishing letter of credit for import of essential spare parts. Shortages of spare parts may cause disruption in production. Minimum wages have been increased which will raise the labour costs significantly. Devaluation of the rupee continues unabated having adverse impact on the price of gas, electricity, spare parts and other inputs.

Heavy rainfall has caused colossal damage to the country. The cotton crop is severely damaged and will be substantially short of Pakistan's needs. Expensive imported cotton will surely raise the yarn prices and damage margins for weaving industry. Demand for textiles in the local market is likely to fall.

Therefore, the outlook for the 2022-23 financial year is not good.

However, the excellent liquidity position of our company, the efficiency of our weaving mills, stringent cost controls, lowering of overheads due to expansion and BMR, aggressive marketing strategies and value-added fabrics are the pillars on which our company will build the defensive structure to remain profitable. It is also hoped that demand for finished goods produced by our customers will revive and restore margins for weaving industry.

It is hoped that the Government would bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, refund of outstanding sales tax and income tax, controlling the inflation rate and reducing the financial costs. Government policies should encourage the completion of the value chain in the textile sector so that the country can export finished products.

Dividend

The Board of Directors has recommended final cash dividend @50% i.e. Rs. 5/- per ordinary share for the year ended June 30, 2022. The dividend will amount to Rs. 92,400,000.

Principal Activity

The principal activity of the Company is manufacturing and sale of woven cloth.

Principal Risks and Uncertainties

The Board of Directors are responsible to oversee the Company's operations and to devise an effective strategy to mitigate any potential adverse impact of risks.

The Company's principal financial liabilities, comprise long term finances, trade and other payables and short-term borrowings. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company's principal financial assets comprise of trade debts, advances, short-term deposits, other receivables and cash and bank balances that arise directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Material Changes and Commitments

No adverse material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.

ISO 9001: 2015 Certification

The Company continues to operate at high standards of quality and had obtained latest version of certification valid until June 19, 2023. The quality control certification helps to build up trust of new and old customers.

Corporate Social Responsibility (CSR)

The Company strongly believes in the integration of Corporate Social Responsibility into its business, and has consistently worked for the uplift of communities that are influenced directly or indirectly by our business. In line with our CSR policy, management helped in developing a school in the factory site to impart preliminary level education for children of factory workers as well as for the nearby community.

Environment, Health and Safety

The Company maintains safe working conditions avoiding the risk to the health of employees and public at large. The management has maintained safe environment in all its operations throughout the year and is constantly upgrading their safety and living facilities.

Safety is a matter of concern for machinery as well as the employees working at plant. Fire extinguishers and other fire safety equipments have been placed at sites as well as registered and head office of the Company. Regular drills are performed to ensure efficiency of fire safety equipments.

Internal Financial Controls

A system of sound internal control is established and implemented at all levels of the Company by the Board of Directors. The system of internal control is sound in design for ensuring achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Related Parties

All related party transactions were on an arm's length basis which were in line with transfer pricing methods and the policy for related parties approved by the Board. All related party transactions were duly approved by the internal audit followed by the approval of the audit committee and placed before the Board for their consideration and approval. However, the Board of Directors in their meeting decided that the related party transactions approved by the Board shall also be placed before the general meeting of the company for member's approval.

Furthermore, the Board of Directors also decided to avail the approval of members in the general meeting of the company for the transactions to be carried out during the fiscal year ending June 30, 2023 and same shall be placed before the shareholders in the next general meeting for their formal ratification/approval.

Shareholding Pattern

The shareholding pattern as at June 30, 2022 for ordinary shares is annexed.

Appointment of Auditors

The present External Auditors M/s. Yousuf Adil, Chartered Accountants, Lahore are due to retire and being eligible, have offered themselves for re-appointment as Auditors for the financial year 2022-23. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending June 30, 2023.

Financial Statements Audit

Financial statements of the Company have been audited without any qualification by Messrs Yousuf Adil, Chartered Accountants, the statutory external auditors of the Company.

Corporate Governance & Financial Reporting Framework

Further, Directors are pleased to report that:

- a) The financial statements prepared by the management of the Company present fair state of Company's operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based upon reasonable and prudent judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements any departures therefrom have been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no doubts upon the Company's ability to continue as a going concern.
- g) Key operating and financial data for the last six years is annexed.
- h) There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2022 except for those disclosed in the financial statements.

Composition of Board

The Board of Directors as at June 30, 2022 consist of:

Total number of Directors:

a)	Male:	9 (Nine)
b)	Female:	1 (One)

Composition:

(i)	Independent Directors:	3 (Three)
(ii)	Other Non-executive Directors	6 (Six)
(iii)	Executive Director	1 (One)

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

Committees of the Board:

The Board has made following sub-committees:

Audit Committee

Ms. Parveen Akhter Malik	Chairperson
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member

Human Resource and Remuneration (HR&R) Committee

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

Executive Committee

Mr. Raza Ellahi Shaikh	Chairman
Mr. Shahzada Ellahi Shaikh	Member
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member

Significant Features of Directors' Remuneration

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them.

The Chairman of the Board is paid remuneration as approved by the Board. Non-executive directors including the independent director are entitled only for fee for attending the Board and its committees' meetings. Remuneration of executive and non-executive directors shall be approved by the Board, as recommended by the Human Resource and Remuneration Committee. For information on remuneration of Directors and CEO in 2021-22, please refer notes to the Financial Statements.

Acknowledgment

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, workers and other stakeholders for their continued support to the Company.

On behalf of the Board

Handwritten signature of Raza Ellahi Shaikh in black ink.

Raza Ellahi Shaikh
Chief Executive Officer (CEO)

Handwritten signature of Amin Ellahi Shaikh in black ink.

Amin Ellahi Shaikh
Director

Lahore: September 28, 2022

ممبران کے لئے ڈائریکٹرز کی رپورٹ

مجلسِ انضمام 30 جون 2022 کو پچھتر سال کے لئے کمپنی کی 31 ویں سالانہ رپورٹ مع نظر ثانی شدہ مالیاتی حسابات اور اس پر محاسب کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہی ہے۔ 30 جون 2021 کو ختم ہونے والے گزشتہ سال کے اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں۔

کمپنی کی کارکردگی

الحمد للہ، کمپنی نے بہت سی اقتصادی مشکلات کے باوجود بحر پور منافع کمایا ہے۔ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 641,576,754 روپے یا فروخت کا 7.87 فیصد کے مقابلے میں 349,904,297 روپے یا فروخت کا 2.72 فیصد کا بعد از ٹیکس منافع کمایا ہے۔ فی شمیر آمدنی (EPS) گزشتہ سال کی اسی مدت کے دوران 34.72 روپے کے مقابلے میں اس سال 18.93 روپے رہی ہے۔ سال کے منافع میں کمی خام مال، توانائی اور لیبر کی لاگت میں بہت زیادہ اضافہ کی وجہ سے ہوئی ہے۔

فروخت آمدن میں گزشتہ سال کی اسی مدت سے 57,79 فیصد کا اضافہ ہوا اور گزشتہ سال کے دوران 8,150,567,189 روپے کے مقابلے میں 12,860,618,823 روپے رہی ہے۔ سال کے دوران 26 نئی لومز کی نئی صلاحیت کے اضافہ کی بدولت فیکر کی مجموعی پیداوار زیادہ ہوئی۔ آمدنی میں اضافہ اور مصنوعات میں اضافہ اور بہتر قیمتوں کے نتیجے میں ہوا۔ گزشتہ سال کے دوران فروخت کی لاگت فروخت کی 85.66 فیصد سے بڑھ کر زیر جائزہ سال کے دوران فروخت کی 91.48 فیصد تک ہوئی۔ جس کے نتیجے میں گزشتہ سال کی اسی مدت کے دوران مجموعی منافع (GP) فروخت کے 14.34 فیصد سے کم ہو کر زیر جائزہ سال کے دوران فروخت کا 8.52 فیصد ہو گیا۔

مجموعی کاروباری اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 3.87 فیصد سے کم ہو کر زیر جائزہ سال کے دوران فروخت کے 3.07 فیصد تک ہوئے۔ تاہم، عالمی بندرگاہوں میں رکاوٹوں کی وجہ سے سمندری مال برداری غیر معمولی طور پر زیادہ تھی۔

کمپنی مستحکم نقد بہا پیدا کرنے اور مالی واجبات کی بروقت ادائیگی ادا کرنے میں کامیاب رہی ہے۔ کم مختصر مدتی قرضوں اور طویل مدتی قرضوں کی واپس ادائیگی کے باعث، کمپنی کی مالی لاگت گزشتہ سال کی اسی مدت کے دوران فروخت کی 1.09 فیصد سے کم ہو کر زیر جائزہ سال کے دوران فروخت کی 0.91 فیصد تک ہوئی ہے۔

پاکستان کائن جزیرا ایسی ایشن کی طرف سے فصل سال 2022-23 کے لئے جاری کردہ اعداد و شمار کے مطابق یکم ستمبر 2022 تک جزیرے میں کپاس، (سج کپاس) کی پینچ سال 2021-22 کی کل 1,791 ملین گانٹھوں کے مقابلے میں 1,540 ملین گانٹھیں ہوئی جو کہ 14.04 فیصد کی کمی ظاہر کر رہی ہے۔

طویل مدتی اثاثوں کی سرمایہ کاری

کمپنی نے پی ایم آر اور توسیعی پروگرام کو جاری رکھا ہوا ہے۔ زیر جائزہ سال کے دوران، کمپنی نے 26 نئی لومز نصب اور پیداوار شروع کر دی ہیں۔ کمپنی نے متعلقہ مشینری کے ہمراہ 48 نئی لومز کی درآمد کے لئے LCs کھولی ہے۔ امید ہے کہ 48 لومز کا توسیعی منصوبہ مالی سال کی تیسری سرمایہ تک مکمل ہو جائے گا۔ زیر جائزہ سال کے دوران، آپ کی کمپنی نے عمارت، پلانٹ اور مشینری اور متعلقہ اثاثوں کی توسیع، توازن، جدت اور تہذیبی (BMR) میں 492,028,368 روپے (452,341,780:2021) کی سرمایہ کاری کی ہے۔

مستقبل کے امکانات

مالی سال 2021-22 میں کپڑوں کی فروخت کی قیمتوں اور ان ہٹ کی قیمت خرید میں انتہائی اتار چڑھاؤ پایا گیا۔ امریکی ڈالر کے مقابلے میں روپیہ کی قدر میں 30 فیصد سے زیادہ کمی تشویشناک تھی۔ خام کپاس کی کمی نے بہت زیادہ قیمتوں پر درآمدات کو متحرک کیا ہے۔ نتیجتاً، دھماگے کی قیمتوں میں اضافہ ہوا اور بنائی کے کاروبار کے مارجن میں کمی واقع ہوئی۔ توانائی کی قلت خصوصاً گیس، بجلی کی لوڈ شیڈنگ اور گیس اور بجلی دونوں کی قیمتوں میں اضافے نے مشکلات میں اضافہ کر دیا۔ ہمارے صارفین نے چٹھی سرمایہ میں تیار مصنوعات کی طلب میں اچانک کمی کر دی جس سے تیار مال کی قیمتوں پر دباؤ بڑھ گیا ہے۔ روس/یوکرین کے تنازع نے بھی اپنے سامنے ڈالے ہیں۔ بہت زیادہ سمندری مال برداری اور مسلسل لاجسٹک مسائل مزید پریشانی کا باعث تھے۔ بد قسمتی سے، ان تمام عوامل نے مالی سال 2022-23 کے لیے مستقبل کا نقطہ نظر مزید تیز اور افسردہ کر دیا۔

2022-23 مالی سال کا آغاز کپڑوں کی طلب میں نمایاں کمی کے ساتھ شروع ہوا ہے۔ تیار سامان کے شعبے میں ہمارے صارفین نے خرید کردہ سامان کو اٹھانے اور پہلے سے خرید کردہ سامان کی ادائیگی میں تاخیر کی ہے۔ لہذا، تیار شدہ مصنوعات کی انونٹری بڑھ رہی ہے اور اعلیٰ قیمتیں مدتی زیادہ قرض لینے پر مجبور کر رہی ہے۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) کی 15 فیصد پالیسی ریٹ مالیاتی اخراجات میں نمایاں اضافہ کرے گی۔ طویل المدتی مالیاتی سہولت (LTFF) پر SBP کی طرف سے طویل مدتی قرض کے اخراجات بھی بڑھائے گئے ہیں۔ LTFF قرضوں کی تقسیم میں تاخیر ہو رہی ہے جس سے مالی اخراجات میں مزید اضافہ ہو رہا ہے۔ کمپنی کو ضروری اسپتیر پائرس کی درآمد کے لیے لیٹر آف کریڈٹ قائم کرنے میں بھی دشواری کا سامنا ہے۔ اسپتیر پائرس کی کمی پیداوار میں رکاوٹ کا باعث بن سکتی ہے۔ کم از کم اجرت میں اضافہ کیا گیا ہے جس سے لیبر کے اخراجات میں نمایاں اضافہ ہوگا۔ روپیہ کی قدر میں کمی جلا روک ٹوک جاری ہے جس کا گیس، بجلی، اسپتیر پائرس اور دیگر اشیاء کی قیمتوں پر منفی اثر پڑ رہا ہے۔

موسلا دھار بارشوں نے ملک کو زبردست نقصان پہنچایا ہے۔ کپاس کی فصل کو شدید نقصان پہنچا ہے اور پاکستان کی ضروریات سے کافی حد تک کم ہوگی۔ پہلی درآمد شدہ کپاس قیمتی طور پر ایران کی قیمتوں میں اضافہ اور یوٹک کی صنعت کے مارجن کو نقصان پہنچائے گی۔ مقامی مارکیٹ میں ٹیکسٹائل کی طلب میں کمی کا امکان ہے۔

اس لیے مالی سال 2022-23 کا مستقبل کا نقطہ نظر اچھا نہیں ہے۔

تاہم، ہماری کمپنی کی بہترین ٹیکنالوجی، ہماری بنائی کی کارکردگی، لاگت پر سخت کنٹرول، توسیع اور BMR کی وجہ سے اور مالیاتی اخراجات میں کمی، مارکیٹنگ کی جارحانہ حکمت عملی اور ویلیو ایڈڈ کیڑا وہ ستون ہیں جن پر ہماری کمپنی منافع بخش رہنے کے لئے دفاعی ڈھانچہ بنائے گی۔ منافع بخش رہنے کے لیے یہ بھی امید کی جاتی ہے کہ ہمارے صارفین کی طرف سے تیار کردہ سامان کی طلب بنائی کی صنعت کے مارجن کو بحال کر دے گی۔

یہ امید کی جاتی ہے کہ حکومت کاروبار میں موثر لاگت، جلا بھل تو اتائی کی فراہمی، ہٹا یا سٹریٹجکس اور انکم ٹیکس کی واپسی جیسی دوستانہ پالیسیاں لائے گی تاکہ افراط زر کی شرح کو کنٹرول اور مالیاتی اخراجات کو کم کیا جاسکے۔ حکومتی پالیسیاں ٹیکسٹائل شعبہ میں ویلیو چین کی مکمل حوصلہ افزاء ہونی چاہئیں تاکہ ملک تیار مصنوعات برآمد کر سکے۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون 2022ء کو رقم ہونے والے سال کے لئے حتمی منافع منقسمہ شرح 50 فیصد یعنی 51 روپے فی عام شیئر کی منظوری دی ہے۔ منافع منقسمہ کی رقم 92,400,000 روپے ہے۔

نمایاں سرگرمی

کمپنی کی نمایاں سرگرمی نئے ہوئے کپڑے کی تیاری اور فروخت کرنا ہے۔

نمایاں خطرات اور غیر قیمتی حالات

بورڈ آف ڈائریکٹرز کمپنی کے آپریشنز کی گھرائی اور خطرات کے کسی ممکنہ منفی اثر کے سدباب کے لئے موثر حکمت عملی وضع کرنے کے ذمہ دار ہیں۔

کمپنی کی اصل مالی ادائیگیوں میں طویل مدتی قرضے، تجارتی اور دیگر قابل ادائیگیوں اور مختصر مدتی قرضے شامل ہیں۔ ان مالی ادائیگیوں کا اہم مقصد کمپنی کے آپریشنز کے لئے فنڈز کا بندوبست کرنا ہے۔ کمپنی کے اصل مالیاتی اثاثوں میں تجارتی وصولیاں، بینکاری ادائیگیاں، مختصر مدتی ڈیپازٹس، دیگر وصولیاں اور نقدی اور بینک بیلنس شامل ہیں جو اس کے آپریشنز سے براہ راست حاصل ہوتے ہیں۔ کمپنی کی سرگرمیوں کو کئی قسم کے مالیاتی خطرات کا سامنا ہے۔ جس میں مارکیٹ خطرہ (بشمول کرنسی خطرہ، شرح سود کا خطرہ اور قیمت کا خطرہ)، ادھار کا خطرہ اور نقدی بہاؤ کا خطرہ شامل ہے۔ کمپنی کا مجموعی رسک مینجمنٹ پروگرام مالیاتی مارکیٹوں کی غیر متوقعات پر توجہ مرکوز اور مالی کارکردگی پر ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتا ہے۔

اہم تبدیلیاں اور معاہدات

اس بیلنس شیٹ سے متعلق مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان، کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی اہم تبدیلیاں اور معاہدات رونما نہیں ہوئے۔

ISO 9001: 2015 سرٹیفیکیشن

کمپنی کو ایسی کے اعلیٰ معیارات پر کام سرانجام دیتی ہے اور کمپنی نے 19 جون 2023ء تک کارآمد سرٹیفیکیشن کے حالیہ ورژن حاصل کر رکھے ہیں۔ کو ایسی کنٹرول سرٹیفیکیشن نے اور پرانے کسٹمرز کے اعتماد کو فروغ دینے میں مدد کرتی ہے۔

کاروباری سماجی ذمہ داری

کمپنی اپنے کاروبار میں کاروباری سماجی ذمہ داری کے انضمام پر پختہ یقین رکھتی ہے، اور وہ کیونٹری جو ہمارے کاروبار سے براہ راست یا بالواسطہ طور پر متاثر کر رہی ہیں ان کی ترقی کے لئے مسلسل کوشاں ہیں۔ ہماری سی ایس آر پالیسی کے مطابق، انتظامیہ نے ٹیکنیری ورکرز اور ذمہ داری کی کمیونٹی کے بچوں کی ابتدائی سطح کی تعلیم کے لئے ٹیکنیری سائنس میں سکول کو ترقی دینے میں مدد کی ہے۔

ماحول، صحت اور تحفظ

کمپنی اپنے ملازمین اور عوام کی صحت کو درپیش خطرات سے بچانے کے لئے محفوظ کام کے حالات کو برقرار رکھتی ہے۔ انتظامیہ نے سال بھر اپنے تمام انتظامات میں محفوظ ماحول کو برقرار رکھا ہے اور مسلسل ان کی حفاظت اور زندگی کی سہولیات کو بہتر بنا رہی ہے۔

مشینری اور ساتھ میں پلانٹ پر کام کرنے والے ملازمین کا تحفظ ایک توشیح کی بات ہے۔ آگ بجھانے والے آلات اور آگ سے بچاؤ کے دیگر آلات کمپنی کی سائٹس کے ساتھ ساتھ اس کے رجسٹرڈ اور مرکزی دفتر میں نصب کئے گئے ہیں۔ آگ سے بچاؤ کے آلات کی کارکردگی کو یقینی بنانے کے لئے باقاعدہ مشقیں کی جاتی ہیں۔

اندرونی مالیاتی کنٹرول

بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کے تمام سطحوں پر مضبوط اندرونی کنٹرول کا ایک نظام قائم اور نافذ کیا گیا ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد اور آپریشنل موثرگی اور کارکردگی کے حصول، قابل اعتماد مالیاتی رپورٹنگ اور قوانین، قواعد و ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لئے ڈیزائن میں مشتمل ہے۔

متعلقہ پارٹیاں

تمام متعلقہ پارٹیوں کے ساتھ لین دین بورڈ سے منظور شدہ متعلقہ قیمتوں کے طریقوں کے مطابق تھے۔ تمام متعلقہ پارٹی ٹرانزیکشنز کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا جس کے بعد آڈٹ کمپنی کی منظوری دی گئی اور ان کے غور و خوض اور منظوری کے لیے بورڈ کے سامنے رکھا گیا۔ تاہم، بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں فیصلہ کیا کہ بورڈ کی طرف سے منظور شدہ متعلقہ پارٹی ٹرانزیکشنز کو بھی ممبران کی منظوری کے لیے کمپنی کے اجلاس عام میں ان کے سامنے رکھا جائے گا۔

مزید برآں، بورڈ آف ڈائریکٹرز نے یہ بھی فیصلہ کیا کہ 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران کیے جانے والے لین دین کے لیے کمپنی کے اجلاس عام میں ممبران کی منظوری حاصل کی جائے گی اور اسے اگلے اجلاس عام میں ان کی رومی توشیح/منظوری کے لیے شیڈول ہولڈرز کے سامنے رکھا جائے گا۔

ممنونہ حصص داری

30 جون 2022ء کے مطابق عام شیئرز کے لئے ممنونہ حصص داری منسلک کیا گیا ہے۔

آڈیٹرز کی تقرری

ریٹائر ہونے والے میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس، کراچی نے اہل ہونے کی بناء پر مالی سال 2022-23 کے لئے بحیثیت آڈیٹرز دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔ آڈٹ کمپنی کی تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے 30 جون 2023ء کو ختم ہونے والے سال کے لیے بطور آڈیٹرز تقرری کی منظوری دی ہے۔

مالیاتی حسابات کا آڈٹ

کمپنی کے مالی حسابات، کمپنی کے قانونی ایکٹس آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی طرف سے کسی کو الیکٹیشن کے بغیر نظر ثانی شدہ ہیں۔

کاروباری نظام اور مالیاتی رپورٹنگ کا طریقہ کار

مزید ڈائریکٹرز بخوشی بیان کرتے ہیں کہ:

- a- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات میں کمپنی کے امور، نقدی بہاؤ اور سرمائے میں تبدیلیوں کو صحیح طور پر ظاہر کرتے ہیں۔
- b- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

- c مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- d مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- e اندرونی کنٹرول کے نظام کا ڈیزائن مضبوط ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- f کمپنی کے رواں دواں ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- g گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- h ٹیکس، ڈیویڈنڈ، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے جو 30 جون 2022 کو بھاپا ہوں، سوائے ان کے جو مالی حسابات میں ظاہر کر دیئے گئے ہیں۔

بورڈ کی ترتیب

30 جون 2022 تک بورڈ آف ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹرز کی کل تعداد:

(a) مرد 9 (نو)

(b) خاتون 1 (ایک)

ترتیب:

i۔ آزاد ڈائریکٹرز (تین) 3

ii۔ دیگر نان ایگزیکٹو ڈائریکٹرز (چھ) 6

iii۔ ایگزیکٹو ڈائریکٹرز (ایک) 1

ڈائریکٹرز کے نام

جناب شہزادہ امی شیخ چیئرمین

محترمہ پروین اختر ملک

جناب ارفع وحید ملک

جناب امین خاور

جناب جاوید بشیر شیخ

جناب شوکت امی شیخ

جناب شفقت امی شیخ

جناب امین امی شیخ

جناب ہارون شہزادہ امی شیخ

جناب رضا امی شیخ ڈائریکٹر ایگزیکٹو آفیسر

بورڈ کی کمیٹیاں

بورڈ آف ڈائریکٹرز نے مندرجہ ذیل کمیٹیاں تشکیل دی ہیں:

• آڈٹ کمیٹی

محترم پروین اختر ملک
جناب امین الہی شیخ
رکن

جناب ہارون شہزادہ الہی شیخ
رکن

• ہیومن ریسورس اینڈ ریمینٹیشن (HR&R) کمیٹی

محترم پروین اختر ملک
رکن

جناب رضا الہی شیخ
رکن

جناب امین الہی شیخ
رکن

• ایگزیکٹو کمیٹی

جناب رضا الہی شیخ
رکن

جناب شہزادہ الہی شیخ
رکن

جناب امین الہی شیخ
رکن

جناب ہارون شہزادہ الہی شیخ
رکن

ڈائریکٹرز کے معاوضہ کی نمایاں خصوصیات

بورڈ آف ڈائریکٹرز نے کمیٹی کے امور میں ان کی ذمہ داری پر منحصر ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کے لئے رسمی پالیسی کی منظوری دی ہے۔ معاوضہ کامیابی سے کمیٹی کو منظم طریقہ سے چلانے کے لئے ان کی ذمہ داری اور ضروری مہارت اور ان سے ویلیو ایڈیشن حوصلہ افزائی کی سطح کے مطابق ہے۔


چیرمین آف بورڈ کو بورڈ کی طرف سے منظور شدہ ریمینٹیشن ادا کیا جاتا ہے۔ آزاد ڈائریکٹرز سمیت نان ایگزیکٹو ڈائریکٹرز فقط بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے اہل ہیں۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کا معاوضہ ہیومن ریسورس اینڈ ریمینٹیشن کمیٹی کی سفارشات پر، بورڈ کی طرف سے منظور کیا گیا ہے۔ 2021-22ء میں ڈائریکٹرز اور سی ای او کے معاوضے کی معلومات کے لئے، براہ مہربانی مالی گوشواروں کے نوٹ ملاحظہ فرمائیں۔

انکھارنگ

کمیٹی کے عملے اور کارکنوں کی مسلسل محنت اور جذبہ اور تمام سطحوں پر اچھے تعلقات کا اعتراف کرتے ہیں۔ ڈائریکٹرز کمیٹی کی مسلسل حمایت پر متکرمز اور دیگر حصہ داروں کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ


امین الہی شیخ
ڈائریکٹر


رضا الہی شیخ
چیف ایگزیکٹو آفیسر (سی ای او)

لاہور: 28 ستمبر 2022ء

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Prosperity Weaving Mills Limited
Year ended: June 30, 2022

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are ten as per the following:

- a) Male: Nine
b) Female: One

2. The composition of the Board of Directors is as follows:

Category	Names
i. Independent Directors	Ms. Parveen Akhter Malik Mr. Arfa Waheed Malik Mr. Aneeq Khawar
ii. Non-Executive Directors	Mr. Shahzada Ellahi Shaikh Mr. Javaid Bashir Sheikh Mr. Shaukat Ellahi Shaikh Mr. Shafqat Ellahi Shaikh Mr. Amin Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh
iii. Executive Director	Mr. Raza Ellahi Shaikh
iv. Female Director	Ms. Parveen Akhter Malik

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations").
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regards to their Directors' Training Program (DTP). Out of total ten directors, eight directors have obtained certification under DTP.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:-
- a. Audit Committee**
- Ms. Parveen Akhter Malik, Chairperson
Mr. Amin Ellahi Shaikh, Member
Mr. Haroon Shahzada Ellahi Shaikh, Member
- b. Human Resource and Remuneration (HR & R) Committee**
- Ms. Parveen Akhter Malik, Chairperson
Mr. Raza Ellahi Shaikh, Member
Mr. Amin Ellahi Shaikh, Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
- a) Audit Committee: Four quarterly meetings were held during the financial year ended June 30, 2022.
- b) HR and Remuneration Committee: One meeting was held during the financial year ended June 30, 2022.
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Explanation as required under the Regulations is mentioned below:

The Company has three independent directors out of ten directors. Fractional requirement for Independent directors have not been rounded up as all independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a fourth independent director.

On behalf of the Board



Raza Ellahi Shaikh
Chief Executive Officer(CEO)



Shahzada Ellahi Shaikh
Chairman

Lahore: September 28, 2022

SHAREHOLDERS' INFORMATION

Annual General Meeting

The 31st Annual General Meeting of members of PROSPERITY WEAVING MILLS LTD. will be held at the Registered Office of the Company situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660 on **Thursday, October 27, 2022** at 11:00 p.m.

Shareholders interested in attending the AGM either physically or through Zoom application are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest but not later than 48 hours before the time of AGM through following means:

- a) Mobile/WhatsApp: 0333-4524559
- b) E-mail: prosperity-agm22@nagina.com

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification. Member wishing to attend in person must also provide a copy of their vaccination certificates at the above e-mail address. Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone/computer devices. In view of the above, the Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

The Company reserves the right to refuse entry to any member who has not pre-registered for physical attendance or is not carrying their vaccination card with them. These measures are necessary to ensure the safety and the health of all present.

Eligible shareholders are encouraged to participate and vote.

Ownership

On June 30, 2022, the Company has 578 Shareholders.

Web Reference

The Company maintains a functional website. Annual, half-yearly and quarterly reports are regularly posted at the Company's website: <http://www.nagina.com>

Dividend

The Board of Directors in its meeting held on September 28, 2022 has recommended, payment of the final cash dividend at the rate of Rs.5/- per share i.e. 50% for the year ended June 30, 2022.

Closure of Share Transfer Books

The share transfer books for ordinary shares of the Company will be closed from Friday, October 21, 2022 to Thursday, October 27, 2022 (both days inclusive). Valid transfer(s) received in order by our Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore by the close of business on Thursday, October 20, 2022 will be in time to be passed for payment of dividend to the transferee(s).

PAYMENT OF CASH DIVIDEND ELECTRONICALLY (E DIVIDEND MECHANISM)

As per the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the following particulars directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS):

Detail of Bank Mandate	
Name of Shareholder	
Folio No. / CDC Account No.	
Cell Number of Shareholder	
Landline Number of Shareholder	
E-mail address	
Title of Bank Account of shareholder	
International Bank Account Number (IBAN) “Mandatory”	PK _____ (24 digits) (kindly provide you accurate IBAN after consulting with your respective bank branch, in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and Address	
Branch Code	
CNIC No. (copy attached)	
NTN (in case of Corporate Entity)	

It is stated that the above-mentioned information is correct, that I will intimate the changes in the above-mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of the Shareholder

In case of non-receipt of the above information, the dividend shall be withheld.

Requirement of CNIC Number / National Tax Number (NTN) Certificate.

Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore. Corporate Members are requested to provide their National Tax Number (NTN) and folio number thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued there under.

Deposit of Physical Shares into CDC Accounts

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30, 2017.

The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

Deduction of Withholding Tax on Dividend

1. The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:

- | | |
|--|-----|
| i) Rate of Withholding Income Tax deduction for the persons whose names are appearing on ATL. | 15% |
| ii) Rate of Withholding Income Tax deduction for the persons whose names are not appearing on ATL. | 30% |

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not appearing on Active Taxpayers' List (ATL) available on the website of FBR are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

2. Withholding tax will be determined separately on 'persons names appearing on ATL/persons names not appearing on ATL' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint-holder(s).
3. As per FBR Circulars C.No.1(29)WHT/2006 dated 30 June 2010 and C.No. 1(43)DG(WHT)/2008-Vol.II-66417-R dated May 12, 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under Clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.

Zakat Declaration (Form CZ-50)

The Shareholders claiming exemption from deduction of Zakat are advised to submit their Zakat Declaration Form CZ-50 under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund Rules), 1981 to our Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore The Shareholders while sending the Zakat Declarations must quote the company name and their respective Folio Nos and/or CDCA/c Nos.

Transmission of Audited Financial Statements/Notices Through E-Mail (Optional)

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I) / 2014 dated September 8, 2014, members who wish to receive the Company's Annual Report and notices by email are requested to provide the standard request form available on Company's website www.nagina.com to the Company's Share Registrar.

Delivery of the Unclaimed / Undelivered Shares & Dividend

Shareholders, whose dividends still remain unclaimed and / or undelivered share certificates, are hereby once again requested to approach the Company's Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore to claim their outstanding dividend amounts and/ or undelivered share certificates.

Consent For Video Conference Facility

Pursuant to Section 134(1)(b) of the Act, shareholders residing in a city holding aggregate 10% or more shareholding may demand to participate in the meeting through video conference. The request for video-link facility shall be received by the Share Registrar at their address at least seven days prior to the date of the meeting on the Standard Form available on the website of the Company

Investor Relations Contact

For any query / problem / information, the investors may contact Mr. Syed Mohsin Gilani, Corporate Secretary, email address: mohsin.gilani@nagina.com, Ph # (+92-42) 35756270, Fax: (+92-42) 35711856

**PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2022
CUIN (INCORPORATION NUMBER) 0025740**

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
179	1	100	3,255
134	101	500	45,637
66	501	1,000	60,047
117	1,001	5,000	301,775
25	5,001	10,000	189,078
15	10,001	15,000	177,770
6	15,001	20,000	107,022
6	20,001	25,000	137,330
2	25,001	30,000	55,725
2	30,001	35,000	66,902
3	35,001	40,000	114,000
-	40,001	45,000	-
3	45,001	50,000	146,500
3	50,001	55,000	153,626
2	55,001	60,000	115,543
-	60,001	75,000	-
1	75,001	80,000	80,000
1	80,001	85,000	84,591
-	85,001	90,000	-
1	90,001	95,000	94,500
1	95,001	100,000	100,000
-	100,001	110,000	-
1	110,001	115,000	110,500
-	115,001	240,000	-
1	240,001	245,000	242,000
-	245,001	695,000	-
1	695,001	700,000	700,000
1	700,001	705,000	700,500
-	705,001	1,395,000	-
2	1,395,001	1,400,000	2,800,000
-	1,400,001	1,675,000	-
1	1,675,001	1,680,000	1,678,242
-	1,680,001	2,120,000	-
2	2,120,001	2,125,000	4,240,315
-	2,125,001	2,135,000	-
1	2,135,001	2,140,000	2,138,646
-	2,140,001	3,745,000	-
1	3,745,001	3,750,000	3,747,415
-			89,081
578	Total:-		18,480,000

**CATAGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2022**

Sr #	Categories of Shareholders	Shares Held	Percentage
1)	Directors, Chief Executive Officer, and their Spouse and Minor Children		
i)	MR. SHAHZADA ELLAHI SHAIKH	2,120,219	11.47
ii)	MR. SHAUKAT ELLAHI SHAIKH	2,138,646	11.57
iii)	MR. SHAFQAT ELLAHI SHAIKH	2,120,096	11.47
iv)	MR. RAZA ELLAHI SHAIKH	1,400,000	7.58
v)	MR. AMIN ELLAHI SHAIKH	1,400,000	7.58
vi)	MR. HAROON SHAHZADA ELLAHI SHAIKH	700,500	3.79
vii)	MS. PARVEEN AKHTAR MALIK	500	0.00
viii)	MR. ANEEQ KHAWAR	500	0.00
ix)	MR. ARFA WAHEED MALIK	500	0.00
x)	MR. JAVAID BASHIR SHEIKH	500	0.00
xi)	MRS. MEHREEN SAADAT	19,300	0.10
xii)	MRS. HUMERA SHAHZADA ELLAHI SHAIKH	2,934	0.02
xiii)	MRS. MONA SHAUKAT SHAIKH	2,934	0.02
xiv)	MRS. SHAISTA SHAFQAT	2,934	0.02
		9,909,563	53.62
2)	Associated Companies, Undertakings and Related Parties		
i)	ELLAHI INTERNATIONAL (PVT) LIMITED	3,747,415	20.28
ii)	ARH (PVT) LIMITED	1,678,242	9.08
iii)	HAROON OMER (PVT) LIMITED	50,857	0.28
iv)	MONELL (PVT) LIMITED	51,907	0.28
v)	ICARO (PVT) LIMITED	50,862	0.28
		5,579,283	30.19
3)	NIT and ICP	Nil	Nil
4)	Banks, Development Finance Institutions, Non Banking Finance Institutions		
i)	NATIONAL BANK OF PAKISTAN INVESTAR A/C (FORMER NDFC)	3,800	0.02
ii)	ESCORTS INVESTMENT BANK LIMITED	1	0.00
		3,801	0.02
5)	Insurance Companies	Nil	Nil
6)	Modarabas and Mutual Funds		
i)	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	84,591	0.46
		84,591	0.46
7)	Shareholders Holding 10% or more		
i)	ELLAHI INTERNATIONAL (PVT) LIMITED	3,747,415	20.28
ii)	MR. SHAUKAT ELLAHI SHAIKH	2,138,646	11.57
iii)	MR. SHAHZADA ELLAHI SHAIKH	2,120,219	11.47
iv)	MR. SHAFQAT ELLAHI SHAIKH	2,120,096	11.47
8)	General Public		
a.	Local	2,866,500	15.51
b.	Foreign	-	-
9)	Others (Joint Stock Companies)	36,262	0.20

Note:-

M/s. Nagina Cotton Mills Ltd., had distributed 8,415,000 ordinary shares of M/s. Prosperity Weaving Mills Ltd., among its members, out of which 89,081 ordinary shares have yet to be transferred by the members of M/s. Nagina Cotton Mills Ltd., These shares have been shown under the head of "General Public".

KEY FINANCIAL INFORMATION

		YEAR ENDED 30TH JUNE					
		2022	2021	2020	2019	2018	2017 (restated)
Sales	Rs.'000	12,860,619	8,150,567	6,018,541	7,112,276	6,212,431	5,820,163
Gross profit	Rs.'000	1,095,646	1,169,127	529,557	706,784	355,552	303,179
Operating profit	Rs.'000	741,949	903,575	366,816	500,686	199,138	160,420
Profit / (loss) before tax	Rs.'000	624,550	814,539	247,968	319,179	54,697	58,496
Profit / (loss) after tax	Rs.'000	349,904	641,577	154,755	210,034	54,697	56,198
Share capital - paid up	Rs.'000	184,800	184,800	184,800	184,800	184,800	184,800
Shareholders' equity	Rs.'000	2,015,919	1,746,678	1,180,448	1,154,588	1,001,077	968,176
Total assets	Rs.'000	6,227,148	4,541,729	3,889,566	4,462,999	4,259,667	4,298,635
Earning per share - pre tax	Rs.	33.80	44.08	13.42	17.27	2.96	3.17
Earnings per share - after tax	Rs.	18.93	34.72	8.37	11.37	2.96	3.04
Dividend per share	Rs.	5.00	10.00	0.00	4.00	2.00	2.00
Market value per share as on 30 June	Rs.	47.75	58.50	40.00	34.00	26.00	28.61
Gross profit to sales	%	8.52	14.34	8.80	9.94	5.72	5.21
Operating profit to sales	%	5.77	11.09	6.09	7.04	3.21	2.76
Profit / (loss) before tax to sales	%	4.86	9.99	4.12	4.49	0.88	1.01
Profit / (loss) after tax to sales	%	2.72	7.87	2.57	2.95	0.88	0.97
Current ratio		1.62:1	2.34:1	1.71:1	1.24:1	1.21:1	1.26:1
Total debt ratio	%	67.63	61.54	69.65	74.13	76.50	77.48
Debt equity ratio	%	49.13	53.38	57.89	59.17	62.93	65.26



Yousuf Adil
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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PROSPERITY WEAVING MILLS LIMITED
Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance Regulations 2019 (the Regulations) prepared by the Board of Directors of Prosperity Weaving Mills Limited (the company) for the year ended June 30, 2022, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Company's Board of Director. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to company for the year ended June 30, 2022.


Chartered Accountants

Engagement Partner:
Muhammad Sufyan

Place: Lahore
Dated: 29 September 2022
UDIN: CR202210180oA2ezSU1v

INDEPENDENT AUDITOR'S REPORT

To the members of Prosperity Weaving Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Prosperity Weaving Mills Limited (the Company), which comprise the statement of financial position as at 30 June, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

Key audit matter	How the matter was addressed in our audit
Revenue Recognition The Company's sales comprise of revenue from the local and export sale of fabric which has	Our audit procedures to evaluate revenue recognition, amongst others, included the following:

<p>been disclosed in note 27 to the financial statements.</p> <p>Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, revenue recognition criteria has been explained in note 3.14 to the finance statements.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design and implementation and operating effectiveness of controls around recognition of revenue; • Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • Checked on a sample basis whether the recorded local and export sales transactions are based on satisfaction of performance obligation (i.e. delivery of goods and after issue of gate passes for local sales and on shipment of goods for export sales); • Testing timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents; and • Evaluated the adequacy and appropriateness of disclosures made in the financial statements.
<p>Valuation of stock in trade</p> <p>Stock in trade has been valued following an accounting policy as stated in note 3.5 to the financial statements and the value of stock in trade is disclosed in note 19 to the financial statements. Stock in trade form material part of the Company's assets comprising around 29% of total assets.</p> <p>The valuation of stock in trade is carried at lower of cost and net realizable value (NRV). Cost as different components, which includes judgement in relation to allocation of overhead costs, which are incurred in bringing the finished goods to its present location and condition. Judgement are also involved in determining the NRV of stock in trade in line with the accounting policy.</p> <p>Due to the above factors, we have considered the valuation of stock in trade as a key audit matter.</p>	<p>In this respect, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of mechanism of recording purchases and valuation of stock in trade; • On a sample basis, verified supporting documents for purchases of raw materials and the production costs; • Verified calculations of actual production costs and checked allocation of these costs to work in process and finished goods; • Obtained an understanding and assessed reasonableness of the management's process for determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis; • Compared the NRV, on a sample basis, to the carrying value of stock in trade to assess whether any adjustments were required to carrying value of inventories in accordance with the policy; and • For valuation of goods in transit, verified the supporting documents on sample basis.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Sufyan.


Chartered Accountants

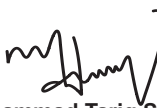
Lahore
Date: 29 September 2022
UDIN: AR202210180ko7yqth8B

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 20,000,000 (2021: 20,000,000) ordinary shares of Rs. 10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid up capital	4	184,800,000	184,800,000
Reserves	5	1,728,278,632	1,459,037,799
Revaluation surplus on land	15.1.4	102,840,634	102,840,634
TOTAL EQUITY		<u>2,015,919,266</u>	<u>1,746,678,433</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances	6	1,641,822,612	1,636,851,483
Employee retirement benefits	7	162,405,974	144,752,291
Deferred grant	8	-	1,630,759
Deferred taxation	9	123,924,669	59,799,491
		<u>1,928,153,255</u>	<u>1,843,034,024</u>
CURRENT LIABILITIES			
Trade and other payables	10	803,781,613	507,635,367
Accrued interest / markup	11	41,658,337	19,964,457
Short term borrowings	12	1,099,608,910	56,439,271
Current portion of long term finances	6	303,656,639	355,244,128
Current portion of deferred grant	8	1,630,759	6,477,975
Provision for taxation - net	13	26,385,426	-
Unclaimed dividend		6,353,906	6,255,331
		<u>2,283,075,590</u>	<u>952,016,529</u>
TOTAL LIABILITIES		<u>4,211,228,845</u>	<u>2,795,050,553</u>
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		<u>6,227,148,111</u>	<u>4,541,728,986</u>

The annexed notes from 1 to 45 form an integral part of these financial statements.


Raza Ellahi Shaikh
Chief Executive Officer


Muhammad Tariq Sheikh
Chief Financial Officer


Amin Ellahi Shaikh
Director

Lahore: September 28, 2022

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	15	2,513,598,681	2,299,138,706
Intangible assets	16	-	-
Long term deposits	17	15,039,000	15,039,000
		2,528,637,681	2,314,177,706
CURRENT ASSETS			
Stores, spare parts and loose tools	18	114,890,959	79,494,299
Stock-in-trade	19	1,827,168,351	956,620,251
Trade receivables	20	1,242,520,030	686,478,806
Advances	21	14,456,727	9,866,823
Short term prepayments	22	2,840,151	7,581,657
Other receivables	23	1,329,724	2,361,381
Sales tax refundable	24	254,617,345	38,856,991
Other financial assets	25	215,890,321	352,604,933
Advance income tax - net	13	-	32,319,337
Cash and bank balances	26	24,796,822	61,366,802
		3,698,510,430	2,227,551,280
TOTAL ASSETS		6,227,148,111	4,541,728,986

The annexed notes from 1 to 45 form an integral part of these financial statements.



Raza Ellahi Shaikh
Chief Executive Officer



Muhammad Tariq Sheikh
Chief Financial Officer



Amin Ellahi Shaikh
Director


Lahore: September 28, 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Revenue from contracts with customers	27	12,860,618,823	8,150,567,189
Cost of sales	28	(11,764,972,855)	(6,981,440,529)
Gross profit		1,095,645,968	1,169,126,660
Distribution cost	29	(223,612,817)	(146,848,992)
Administrative expenses	30	(124,384,563)	(107,846,529)
Other operating expenses	31	(46,451,256)	(60,362,163)
		(394,448,636)	(315,057,684)
		701,197,332	854,068,976
Other income	32	40,751,411	49,505,892
Operating profit		741,948,743	903,574,868
Finance cost	33	(117,399,202)	(89,035,941)
Profit before taxation		624,549,541	814,538,927
Provision for taxation	34	(274,645,244)	(172,962,173)
Profit after taxation		349,904,297	641,576,754
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss:			
Remeasurement of post retirement benefits obligation	7.6	(1,758,288)	(82,972)
Related tax impact	9.1	718,508	(253,800)
Fair value (loss) / gain on investment in equity instrument designated at FVTOCI	25.3	(33,423,685)	63,590,219
Other comprehensive (loss) / income		(34,463,465)	63,253,447
Total comprehensive income for the year		315,440,832	704,830,200
Earnings per share - basic and diluted	35	18.93	34.72

The annexed notes from 1 to 45 form an integral part of these financial statements.


Raza Ellahi Shaikh
Chief Executive Officer


Muhammad Tariq Sheikh
Chief Financial Officer


Amin Ellahi Shaikh
Director

Lahore: September 28, 2022

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	(403,061,656)	519,985,438
Employee benefits paid		(24,329,380)	(19,046,555)
Finance cost paid		(102,183,297)	(91,292,216)
Income taxes paid		(151,096,797)	(90,517,009)
Net cash (used in) / generated from operating activities		(680,671,130)	319,129,658
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(454,186,773)	(433,667,083)
Proceeds from disposal of property, plant and equipment		9,414,500	12,277,003
Purchase of other financial assets		(1,100,082,381)	(888,100,238)
Proceeds from sale of other financial assets		1,208,463,749	1,076,451,334
Dividend received	32	30,040,200	36,691,760
Net cash used in investing activities		(306,350,705)	(196,347,224)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances obtained		311,265,194	498,567,718
Repayment of long term finances		(357,881,554)	(125,016,926)
Short term borrowings excluding running finance and bank overdraft		370,170,298	(302,195,418)
Dividend paid		(46,101,424)	(137,633,920)
Net cash generated from / (used in) financing activities		277,452,514	(66,278,546)
Net (decrease) / increase in cash and cash equivalents		(709,569,321)	56,503,888
Cash and cash equivalents at beginning of the year		4,927,531	(51,576,357)
Cash and cash equivalents at end of the year		(704,641,790)	4,927,531
CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	24,796,822	61,366,802
Running finance	12	(709,058,853)	(2,465,663)
Bank overdraft	12	(20,379,759)	(53,973,608)
		(704,641,790)	4,927,531

The annexed notes from 1 to 45 form an integral part of these financial statements.



Raza Ellahi Shaikh
Chief Executive Officer



Muhammad Tariq Sheikh
Chief Financial Officer



Amin Ellahi Shaikh
Director

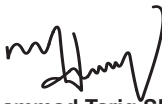
Lahore: September 28, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

	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, 2020	184,800,000	16,600,000	102,840,634	(87,202,727)	963,410,326	1,180,448,233
Comprehensive income						
Profit after taxation	-	-	-	-	641,576,754	641,576,754
Other comprehensive income / (loss) - net of tax	-	-	-	63,590,219	(336,772)	63,253,447
Total comprehensive income for the year	-	-	-	63,590,219	641,239,981	704,830,200
Transfer of gain on disposal of equity investments at FVTOCI to unappropriated profit	-	-	-	(7,124,904)	7,124,904	-
Transactions with owners						
Interim dividend @ 75% i.e. Rs. 7.5 per share for the year ended June 30, 2021	-	-	-	-	(138,600,000)	(138,600,000)
Balance at June 30, 2021	184,800,000	16,600,000	102,840,634	(30,737,412)	1,473,175,211	1,746,678,433
Comprehensive income						
Profit after taxation	-	-	-	-	349,904,297	349,904,297
Other comprehensive loss - net of tax	-	-	-	(33,423,685)	(1,039,780)	(34,463,465)
Total comprehensive (loss) / income for the year	-	-	-	(33,423,685)	348,864,517	315,440,832
Transfer of gain on disposal of equity investments at FVTOCI to unappropriated profit	-	-	-	(15,894,618)	15,894,618	-
Transactions with owners						
Final dividend @ 25% i.e. Rs. 2.5 per share for the year ended June 30, 2021	-	-	-	-	(46,200,000)	(46,200,000)
Balance at June 30, 2022	184,800,000	16,600,000	102,840,634	(80,055,715)	1,791,734,347	2,015,919,266

The annexed notes from 1 to 45 form an integral part of these financial statements.


Raza Ellahi Shaikh
Chief Executive Officer


Muhammad Tariq Sheikh
Chief Financial Officer


Amin Ellahi Shaikh
Director

Lahore: September 28, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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. The principal activity of the Company is manufacturing and sale of woven cloth. The manufacturing facility is located at 13.5 km Sharaqpur road, District Sheikhpura in the Province of Punjab.

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

2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1 STANDARDS, INTERPRETATION AND AMENDMENT ADOPTED DURING THE YEAR

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

2.1.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Standards or Interpretations with no significant impact	Effective from annual period beginning on or after:
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
"Amendments to IFRS 3 'Business Combinations' - Definition of a business"	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020
Certain annual improvements have also been made to a number of IFRSs.	

2.1.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards or Interpretations	Effective from Accounting period beginning on or after
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19related rent concessions extended beyond June 30, 2021	April 01, 2022
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Certain annual improvements have also been made to a number of IFRS.	

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

2.2 SIGNIFICANT ESTIMATES

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period or in the period of revision and future periods, if the revision affects both current and future periods.

Significant areas requiring the use of management estimates in these financial statements relate to the revaluation of certain items of property, plant and equipment, useful life of depreciable assets, employee retirement benefits, impairment of financial assets and taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 ACCOUNTING CONVENTION

These financial statements have been prepared under historical cost convention modified by:

- a) Revaluation of land;
- b) Financial instruments at fair value; and
- c) Recognition of certain employee retirement benefits at present value.

3.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment in value, if any. Freehold land is stated at revalued amount. Capital work-in-progress and stores held for capital expenditure are stated at cost. Cost also includes borrowing cost; wherever applicable.

Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate at each financial statements date. When significant parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment.

Subsequent costs are recognized as part of asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred. Depreciation is charged to statement of profit or loss applying the reducing balance method over its estimated useful life at the rates specified in note 15.1 to the financial statements.

Depreciation on additions to property, plant and equipment is charged from the month in which property, plant and equipment is available for use while no depreciation is charged for the month in which property, plant and equipment is disposed off.

Surplus arising on revaluation of land is recognized in other comprehensive income and accumulated in reserves in shareholders' equity and is shown in equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of the land does not differ materially from the fair value.

Gain or loss on disposal of property, plant and equipment, if any, is recognized in the statement of profit or loss for the year.

All costs connected with specific assets incurred during installation and construction period are carried under capital work-in-progress.

These are transferred to specific assets as and when these assets are available for use.

3.3 INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortization and impairment in value. Intangible assets are amortized over a period of five years using straight line method. Amortization on additions during the year is charged from the month in which an asset is acquired or capitalized.

3.4 STORES, SPARE PARTS AND LOOSE TOOLS

These are valued at the cost, determined on moving weighted average basis less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon.

3.5 STOCK-IN-TRADE

These are valued at the lower of cost and net realizable value. Cost is determined by applying the following basis:

Raw material	Weighted average
Work-in-process	Average manufacturing cost
Finished goods	Average manufacturing cost
Waste	Net realizable value

Raw material in transit is stated at invoice value plus other charges paid thereon up to the financial statements date.

Average manufacturing cost in relation to work-in-process and finished goods consists of direct material, labour and a proportion of manufacturing overheads based on normal capacity.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

3.6 IMPAIRMENT OF NON FINANCIAL ASSETS

The Company assesses at each financial statements date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amount and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined had no impairment loss been recognized in prior periods. Reversal of impairment loss is recognized as income.

3.7 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.7.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

a) Debt instruments measured at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost and effective interest method

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Company carries cash and cash equivalents and trade receivables at amortized cost.

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured subsequently at FVTOCI.

As at reporting date, the Company does not hold any debt instrument classified as at FVTOCI.

c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

As at reporting date, the Company carries investments in self managed securities at FVTOCI.

d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at FVTPL.

As at reporting date, the Company carries investments in securities classified at FVTOCI.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost or at FVTOCI, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables by using simplified approach. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- a) when there is a breach of financial covenants by the debtor; or
- b) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Write-off policy

The Company writes off financial assets when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognized in profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes acollateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the statement of profit or loss.

3.7.2 Financial liabilities**Subsequent measurement of financial liabilities**

Financial liabilities that are not

- a) contingent consideration of an acquirer in a business combination,
- b) held for trading, or
- c) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.8 OFF SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount reported in the financial statements, if the Company has a current legal enforceable right to set off the recognized amount and the Company also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.9 TRADE RECEIVABLES

Trade receivables and other receivables are initially recognized at fair value, which is usually the original invoiced amount and subsequently carried at amortized cost using the effective interest method less allowance for ECL.

3.10 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks, highly liquid other financial assets that are convertible to known amount of cash and are subject to insignificant risk of change in value and short term running finance under markup arrangement. Cash and bank are carried in the statement of financial position at cost.

3.11 TRADE AND OTHER PAYABLES

Liabilities for trade and other payables are carried at their fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

3.12 EMPLOYEE RETIREMENT BENEFITS

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the schemes on the basis of actuarial valuation and are charged to the statement of profit or loss for the year. The assumptions are determined by independent actuary.

The amount recognized in the balance sheet represents the present value of defined benefit obligations using the projected unit credit actuarial valuation method. Actuarial gains / losses arising from the actuarial valuation are recognized immediately and are presented in other comprehensive income. The latest actuarial valuation was carried as at June 30, 2022.

Details of the schemes are given in note 7 to these financial statements.

The Company provides for compensated absences of its employees on un-availed balance of leaves in the period in which the leaves are earned.

3.13 PROVISIONS

Provisions are recognized in the financial statements when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each financial statement date and adjusted to reflect the current best estimate.

3.14 REVENUE RECOGNITION

The Company is in the business of sale of goods. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer and the performance obligation is satisfied under the contract at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principle in its revenue arrangements because it typically controls the goods or services before transferring them to the customers.

- a) Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.
- b) Export rebate is recognized on accrual basis at the time of making the export sales.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. right of returns, volume rebates). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

3.15 GOVERNMENT GRANT

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all conditions of the grant. The benefit of a government loan at a below-market rate of interest is treated as a government grant. Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3.16 BORROWINGS

Loans and borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance cost is accounted for on an accrual basis and are included in mark-up accrued on loans to the extent of amount remaining unpaid, if any.

3.17 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

The Company assesses whether contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- a) Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- b) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- c) The amount expected to be payable by the lessee under residual value guarantees;
- d) The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- e) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- a) The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- b) The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

c) A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the term of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.18 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.19 TAXATION

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum taxation as per Income Tax Ordinance, 2001. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred taxation is provided using the liability method for all temporary differences at financial statements date between tax bases of assets and liabilities and their carrying amount for financial reporting purposes. In this regard the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan.

Deferred income tax liability is recognized for all taxable temporary differences. Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, and tax credits, if any, to the extent that it is probable that taxable profit will be available against such temporary differences and tax losses can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the financial statements date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to equity in that case it is included in equity.

3.20 FOREIGN CURRENCIES TRANSACTION AND TRANSLATION

Transactions in currencies other than Pak Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial statements date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the financial statements date. Gains and losses arising on retranslation are included in statement of profit or loss for the year.

3.21 DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3.22 DIVIDEND INCOME

Dividend income from the investments is recognised when the the Company's right to receive payment is established.

3.23 EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021		2022	2021
Number of shares			Rupees	Rupees
		Ordinary shares of Rs. 10 each		
9,600,000	9,600,000	- fully paid in cash	96,000,000	96,000,000
8,880,000	8,880,000	- issued as bonus shares	88,800,000	88,800,000
18,480,000	18,480,000		184,800,000	184,800,000

4.1 There is no movement during the year in issued, subscribed and paid-up capital.

4.2 The Company has one class of ordinary shares which carry no right to fixed income.

4.3 Following shares are held by associates of the Company as at the reporting date:

	2022	2021
	Number of ordinary shares of Rs. 10 each	
Ellahi International (Private) Limited	3,747,415	3,747,415
ARH (Private) Limited	1,678,242	1,678,242
Monell (Private) Limited	51,907	51,907
ICARO (Private) Limited	50,862	50,862
Haroon Omer (Private) Limited	50,857	50,857
	5,579,283	5,579,283

4.3.1 Shareholders are entitled to cast vote proportionate to the paid up value of shares carrying voting rights. All shares rank equally with regard to the Company's residual assets.

5 RESERVES

	Note	2022 Rupees	2021 Rupees
Amalgamation reserve	Capital reserve	5.1	16,600,000
Fair value reserve	Capital reserve	5.2	(80,055,715)
Unappropriated profits	Revenue reserve		1,473,175,211
		1,791,734,347	1,459,037,799

5.1 This represents reserve arising on merger of Ellahi Electric Company Limited into Prosperity Weaving Mills Limited on September 30, 2001 and breakup value of such shares, the value at which net assets and liabilities of Power Unit 3 of Ellahi Electric Company Limited were merged into Prosperity Weaving Mills Limited, at that date. This reserve is not regarded as free for distribution by way of dividend.

5.2 This represents fair value loss on remeasurement of other financial assets designated as at fair value through other comprehensive income.

	2022	2021
6 LONG TERM FINANCES	Rupees	Rupees
From banking companies - secured	1,945,479,251	1,992,095,611
Less: current portion	303,656,639	355,244,128
	1,641,822,612	1,636,851,483

6.1 From banking companies - secured ----- **Other terms and conditions** -----

Name of institution	Original limit		Outstanding amount		Security	Arrangement, repayment and mark-up
	2022	2021	2022	2021		
	----- Rupees -----					
6.1.1 Askari Bank Limited (LTFF-I)	71,018,100	71,018,100	3,228,105	16,140,485	Joint pari passu registered hypothecation charge of Rs. 673.14 million over all of Rs.113 million out of which Rs. 71.02 million have been present and future fixed assets of the converted into LTFF scheme of State Bank of Pakistan (SBP). The loan is repayable in 22 quarterly instalments, with 18 months grace period, commenced from May 25, 2016. The loan carries mark-up at the rate of 6.50% (2021: 6.50%) per annum payable quarterly.	This facility has been obtained against a sanctioned limit of Rs.113 million out of which Rs. 71.02 million have been converted into LTFF scheme of SBP and Rs. 41.98 million remain as term finance. The loan is repayable in 22 equal quarterly instalments, with 18 months grace period, commenced from February 12, 2016. The loan carries mark-up rate of 3 month KIBOR plus 1.00% (2021: 3 months KIBOR plus 1.00%) per annum payable quarterly.
6.1.2 Askari Bank Limited (TF)	41,981,900	41,981,900	-	7,632,914	Same as 6.1.1	This facility has been obtained against a sanctioned limit of Rs. 113 million out of which Rs. 71.02 million have been converted into LTFF scheme of SBP and Rs. 41.98 million remain as term finance. The loan is repayable in 22 equal quarterly instalments, with 18 months grace period, commenced from February 12, 2016. The loan carries mark-up rate of 3 month KIBOR plus 1.00% (2021: 3 months KIBOR plus 1.00%) per annum payable quarterly.
6.1.3 Askari Bank Limited (LTFF-II)	291,666,430	291,666,430	136,718,637	173,176,941	Same as 6.1.1	This facility has been obtained against a sanctioned limit of Rs. 500 million out of which Rs. 291.67 million have been converted into LTFF scheme of SBP. The loan is repayable in 32 quarterly instalments, with a 24 months grace period, commenced from June 4, 2017. The loan carries mark-up at the rate of 6.50% (2021: 6.50%) per annum payable quarterly.
6.1.4 Askari Bank Limited (LTFF-II)	93,333,570	93,333,570	40,833,403	52,500,087	Same as 6.1.1	This facility has been obtained against a sanctioned limit of Rs. 385 million out of which Rs. 291.67 million have been converted into LTFF scheme of SBP and Rs. 93.33 million remain as term finance. The loan is repayable in 32 quarterly instalments with 24 months grace period, commenced from February 12, 2017. The loan carries mark-up rate of 3 months KIBOR plus 1.00% (2021: 3 months KIBOR plus 1.00%) per annum payable quarterly.

Name of Institution	Original limit		Outstanding amount		Security	Arrangement, repayment and mark-up
	2022	2021	2022	2021		
	-----Rupees-----					
6.1.5 Askari Bank Limited (TF-III)	115,000,000	115,000,000	53,837,761	68,194,497	Same as 6.1.1	This facility has been obtained against a sanctioned limit of Rs. 115 million. The loan is repayable in 32 quarterly installments with 24 months grace period, commenced from May 27, 2017. The loan carries mark-up rate of 3 months KIBOR plus 1.00% (2021: 3 months KIBOR plus 1.00%) per annum payable quarterly.
6.1.6 Habib Bank Limited (TF)	90,298,592	90,298,592	-	4,104,491	Joint pari passu charge of Rs. 117 million on all present and future fixed assets of Rs. 200 million out of which Rs. 109.70 million have the Company excluding power generation been converted into LTFF scheme of SBP and Rs. 90.30 plant with 25% margin, and personal million remain as term loan. The loan is repayable in 22 guarantees of sponsor directors of the equal quarterly installments with 18 months grace period, commenced from April 7, 2015. The loan carries mark-up rate of 3 months KIBOR plus 1.35% (2021: 3 months KIBOR plus 1.35%) per annum payable quarterly.	
6.1.7 Habib Bank Limited (LTFF)	322,772,452	322,772,452	-	58,685,902	Same as 6.1.6	This facility has been obtained against a sanctioned limit of Rs. 350 million out of which Rs. 322.77 million have been converted into LTFF scheme of SBP. The loan is repayable in 22 quarterly installments with a 18 month grace period commenced from February 13, 2016. The loan carries mark-up at the rate of 8.00% (2021:8.00%) per annum payable quarterly.
6.1.8 Habib Bank Limited (TF)	27,227,548	27,227,548	-	4,950,460	Same as 6.1.6	This facility has been obtained against a sanctioned limit of Rs. 350 million out of which Rs. 322.77 million have been converted into LTFF scheme of SBP and Rs. 27.23 million remain as term loan. The loan is repayable in 22 equal quarterly installments with 18 months grace period, commenced from February 14, 2016. The loan carries mark-up rate of 3 months KIBOR plus 1.00% (2021: 3 months KIBOR plus 1.00%) per annum payable quarterly.
6.1.9 United Bank Limited (LTFF)	187,931,622	187,931,622	99,838,677	123,330,129	Joint pari passu charge amounting to Rs. 979.83 million as equitable mortgage over fixed assets of the company.	This facility has been obtained against sanctioned limit of Rs. 187.93 million converted into LTFF scheme of SBP. The loan is repayable in 32 quarterly installments commencing from November 10, 2017. The loan carries mark-up rate of 3.50% (2021: 3.50%) per annum payable quarterly.

Name of Institution	Original limit		Outstanding amount		Security	Arrangement, repayment and mark-up
	Rupees		Rupees			
	2022	2021	2022	2021		
6.1.10 United Bank Limited (LTFF)	40,000,000	40,000,000	23,809,288	27,618,772	Same as 6.1.9	This facility has been obtained against sanctioned limit of Rs. 700 million out of which Rs. 30.47 million has been converted into LTFF on July 19, 2017. The loan is repayable in 32 equal quarterly installments commencing from October 19, 2019. The loan carries mark up at the rate of 2.50% (2021: 2.50%).
6.1.11 United Bank Limited (LTFF)	660,000,000	660,000,000	474,043,145	556,485,429	Same as 6.1.9	This facility has been obtained against sanctioned limit of Rs. 700 million out of which Rs. 660 million has been converted into LTFF. The loan is repayable in 32 quarterly installments in arrears commencing from April 18, 2019. The loan carries mark up at the rate of 2.50% (2021: 2.50%).
6.1.12 Askari Bank Limited (LTFF-IV / TF-IV)	45,829,000	45,829,000	10,752,000	12,288,000	Same as 6.1.1	This facility has been obtained against sanctioned limit of Rs. 200 million. The loan is repayable in 32 quarterly installments in arrears commencing from August 02, 2021 with grace period of 24 months. The loan carries mark up at the rate of 2.50% (2021: 2.50%).
6.1.13 Askari Bank Limited (LTFF-IV)	127,688,000	127,688,000	111,728,000	127,688,000	Same as 6.1.1	This facility has been obtained against sanctioned limit of Rs. 200 million. The loan is repayable in 32 quarterly installments in arrears commencing from August 18, 2021 with grace period of 24 months. The loan carries mark up at the rate of 2.50%.
6.1.14 Askari Bank Limited (LTFF-IV)	3,296,000	3,296,000	2,575,000	2,884,000	Same as 6.1.1	This facility has been obtained against sanctioned limit of Rs. 200 million. The loan is repayable in 32 quarterly installments in arrears commencing from October 4, 2020 with grace period of 24 months. The loan carries mark up at the rate of 2.50%.
6.1.15 Askari Bank Limited (LTFF-IV)	23,187,000	23,187,000	18,119,000	21,015,000	Same as 6.1.1	This facility has been obtained against sanctioned limit of Rs. 200 million. The loan is repayable in 32 quarterly installments in arrears commencing from November 3, 2020 with grace period of 24 months. The loan carries mark up at the rate of 2.50%.

Name of Institution	Original limit		Outstanding amount		Security	Arrangement, repayment and mark-up
	2022	2021	2022	2021		
	Rupees					
6.1.16 Allied Bank Limited (LTFF)	192,000,000	192,000,000	155,936,248	173,735,000	Joint pari passu charge of Rs. 1,533.33 million inclusive of 25% margin over fixed assets.	This facility has been obtained against sanctioned limit of Rs. 300 million. The loans are repayable in 32 quarterly installments in arrears commencing from September 27, 2021, December 3, 2022 and April 27, 2023 respectively, with grace period of 24 months. The loan carries mark up at the rate of 2.50%.
6.1.17 Allied Bank Limited (LTFF)	108,000,000	108,000,000	107,563,000	107,563,000	Same as 6.1.13	This facility has been obtained against sanctioned limit of Rs. 108 million. During the year, this facility has been converted from term finance to LTFF scheme of SBP. The loan is repayable in 32 quarterly installments in arrears commencing from July 21, 2022 with grace period of 24 months. The loan carries mark up at the rate of 2.50%.
6.1.18 Bank Al Falah(LTFF)	150,000,000	150,000,000	35,144,737	83,690,222	Joint Pari passu charge of Rs. 200 million inclusive of 25% margin over fixed assets.	This facility has been obtained to finance payment of salaries and wages of workers and employees for the period April 2020 to September 2020 against sanctioned limit of Rs. 150 million under SBP payroll finance scheme 2020. The loan is repayable in 08 quarterly installments in arrears, commencing from January 01, 2021 with grace period of 6 months. The fair value of this finance has determined using a discount rate of three months KIBOR plus 1.00% (1.00%) being the prevailing market rate of interest for similar instruments. The difference between the fair value and loan proceeds has been recognized as deferred grant (note 8).
6.1.19 Allied Bank Limited	750,000,000	750,000,000	586,313,250	370,412,282	Joint pari passu charge of Rs. 1,533.33 million inclusive of 25% margin over fixed assets.	This facility has been obtained against sanctioned limit of Rs. 750 million. The loan is repayable in 32 quarterly installments in arrears commencing from Dec 23, 2022 with grace period of 24 months. The loan carries mark up at the rate of SBP bench mark plus 100 bps.
6.1.20 Allied Bank Limited	100,000,000	100,000,000	85,039,000	-	Joint pari passu charge of Rs. 1,533.33 million inclusive of 25% margin over fixed assets.	This facility has been obtained against sanctioned limit of Rs. 100 million. The loan is repayable in 32 quarterly installments in arrears commencing from Jan 27, 2022 with grace period of 24 months. The loan carries mark up at the rate of 3 month Kibor plus 100 bps.
6.2			1,945,479,251	1,992,095,611		

These facilities carry effective mark-up rate ranging from 1.00% to 12.95% (2021: 1.00% to 8.78%) per annum.

7 EMPLOYEE RETIREMENT BENEFITS

7.1 The Company has a defined benefit plan comprising an un-funded gratuity scheme for its permanent employees. Latest valuation has been conducted as at June 30, 2022.

	Note	2022 Rupees	2021 Rupees
Amounts recognized in the Statement of financial position are as follows:			
Present value of defined benefit obligation as at June 30		162,405,974	144,752,291
7.2 Movement in liability:			
As at July 01		144,752,291	131,777,782
Charge for the year	7.4	40,224,775	31,938,092
Benefits paid during the year		(24,329,380)	(19,046,555)
Remeasurement changes chargeable to OCI	7.6	1,758,288	82,972
As at June 30		162,405,974	144,752,291
7.3 Movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation as at July 01		144,752,291	131,777,782
Current service cost		28,716,700	22,912,956
Interest cost		11,508,075	9,025,136
Benefits paid		(24,329,380)	(19,046,555)
Gains arising on plan settlement		-	-
Remeasurements:			
Actuarial loss from changes in financial assumptions		(48,765)	3,896,126
Experience adjustments		1,807,053	(3,813,154)
Present value of defined benefit obligation as at June 30		162,405,974	144,752,291
7.4 Expense recognized in profit and loss account is as follows:			
Current service cost		28,716,700	22,912,956
Gains arising on plan settlement		-	-
Interest cost		11,508,075	9,025,136
		40,224,775	31,938,092
7.5 Charge for the year has been allocated as follows:			
Cost of sales		32,681,212	26,447,526
Administrative expenses		7,543,563	5,490,566
		40,224,775	31,938,092
7.6 Total remeasurement chargeable to			
Remeasurement of defined benefit obligation:			
Actuarial losses from changes in financial assumptions		(48,765)	3,896,126
Experience adjustment		1,807,053	(3,813,154)
		1,758,288	82,972
7.7 Projected unit credit method, based on the following significant assumptions, is used for valuation of gratuity:			
		2022	2021
Discount rate		13.25%	9.23%
Expected rate of salary increase		12.75%	8.75%
Average retirement age of employee		60 years	60 years

7.8 Sensitivity analysis

	Defined benefit obligation assumptions		
	Changes in	Increase in	Decrease in
	----- Rupees -----		
Discount rate	0.5%	155,000,403	175,832,829
Salary growth rate	0.5%	175,832,829	154,916,394

The aforementioned sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

Maturity profile of the defined benefit obligation

1. Weighted average duration of the benefit	6.87 Years	7 Years
	2022	2021
	Rupees	Rupees
2. Distribution of timing of benefit payments (time in years)		
1	30,507,605	26,779,174
2	22,674,571	19,903,440
3	22,872,458	20,048,192
4	22,476,684	19,758,688
5	22,872,458	19,932,390
6 and above	687,657,908	606,512,097

8 DEFERRED GRANT

As mentioned in note 6.1.18, the State Bank of Pakistan (SBP) through circular no. 6 dated April 10, 2020 introduced a 'Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concern (the Refinance Scheme)'. The purpose of the Refinance Scheme is to provide relief to dampen the effects of COVID - 19 by providing loans at concessional interest rates. The Company obtained financing of Rs. 96.81 million under the Refinance Scheme. The benefit of below market interest rates, measured as the difference between the fair value of loan and loan proceeds on the date of disbursement has been recognised as deferred grant. The deferred grant is amortized over the term of the loan i.e., 2 years. In line with the recognition of interest expense, the grant is compensatory.

The movement during the year is as follows:

	2022	2021
	Rupees	Rupees
As at July 01	8,108,734	4,555,199
Recognized during the year	-	9,368,379
Amortized during the year	(6,477,975)	(5,814,843)
As at June 30	1,630,759	8,108,734
Less: current portion	(1,630,759)	(6,477,975)
Non - current portion	-	1,630,759

9 DEFERRED TAXATION

The liability for deferred taxation comprises timing differences relating to:

Taxable temporary differences

Accelerated tax depreciation **220,000,271** 166,892,761

Deductible temporary differences

Provision for employee benefits **(36,394,306)** (29,329,501)

Tax credits

Tax credits under section 113 **(59,681,296)** (77,763,769)

123,924,669 59,799,491

9.1 Movement in temporary differences for the year

	2022			
	Balance as at	Recognized in	Recognized in	Balance as at June
	July 1, 2021	profit or loss	other	30, 2022
			comprehensive	
			income	
			Rupees	
Taxable temporary difference:				
Accelerated tax depreciation	166,892,761	53,107,510	-	220,000,271
Deductible temporary difference:				
Provision for gratuity	(29,329,501)	(6,346,297)	(718,508)	(36,394,306)
Tax credits	(77,763,769)	18,082,471	-	(59,681,296)
	59,799,491	64,843,684	(718,508)	123,924,669

	2021			Balance as at June 30, 2021
	Balance as at July 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	
	----- Rupees -----			
Taxable temporary difference:				
Accelerated tax depreciation	165,722,990	1,169,771	-	166,892,761
Deductible temporary difference:				
Provision for gratuity	(28,571,242)	(1,012,059)	253,800	(29,329,501)
Tax credits	(134,573,000)	56,809,231	-	(77,763,769)
	<u>2,578,748</u>	<u>56,966,942</u>	<u>253,800</u>	<u>59,799,491</u>

10	TRADE AND OTHER PAYABLES	Note	2022	2021
			Rupees	Rupees
	Creditors		215,563,227	149,227,080
	Accrued liabilities	10.1	478,390,545	280,733,337
	Workers' Profit Participation Fund	10.2	33,571,966	43,749,209
	Workers' Welfare Fund		29,440,664	17,989,194
	Advance from customers	10.3	37,884,509	13,804,838
	Retention money		613,539	394,016
	Withholding tax payable		777,899	837,549
	Others		7,539,264	900,144
			<u>803,781,613</u>	<u>507,635,367</u>

10.1 This includes a provision of Rs. 101.48 million (2021: Rs. 101.48 million) on account of Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2011 with effect from December 15, 2011 and was chargeable from industrial gas customers at different rates as prescribed by the Federal Government through OGRA notification.

On June 13, 2013, the Honorable Peshawar High Court declared the levy, imposition and recovery of the Cess unconstitutional with the direction to refund the "Cess" so far collected. Honorable Supreme Court of Pakistan examined the case and vide its findings dated August 22, 2014, concluded that GID Cess is a fee and not a tax and on either count the "Cess" could not have been introduced through a money bill under Article 73 of the Constitution and the same was, therefore, not validly levied in accordance with the Constitution. However, on September 25, 2014, the President of Pakistan had promulgated GID Cess Ordinance 2014, which was applicable to the whole of Pakistan and has to be complied by all parties.

On September 29, 2014, the Honorable Sindh High Court gave a stay order to various parties against the promulgation of Presidential order dated September 25, 2014.

On October 26, 2016, the High Court of Sindh held that enactment of GIDC Act, 2015 is ultra-vires to the Constitution of Pakistan. Sui Southern Gas Company Limited has filed an intra-court appeal before the Divisional Bench of High Court of Sindh. On August 13, 2020, GIDC matter is decided by the Supreme Court of Pakistan and the Court ordered gas consumers to pay outstanding amount of GIDC upto July 31, 2020 in twenty four equal monthly installments, starting from August 2020.

During the year, the Company has paid GIDC installments from September 2020 to April 2021 aggregating to Rs. 24.98 million. Further, the Company has obtained a stay order from Honorable High Court of Sindh for recovery against the remaining GIDC

10.2	Workers' Profit Participation Fund	Note	2022	2021
			Rupees	Rupees
	Opening balance		43,749,209	13,261,942
	Interest on funds utilized in the Company's business	10.2.1	8,540,086	400,584
			<u>52,289,295</u>	<u>13,662,526</u>
	Paid during the year		<u>(52,289,295)</u>	<u>(13,662,526)</u>
			-	-
	Allocation for the year	31	33,571,966	43,749,209
	Closing balance		<u>33,571,966</u>	<u>43,749,209</u>

10.2.1 Interest on Workers' Profit Participation Fund has been provided @ 75% (2021: 6.30%) per annum.

10.3 Revenue recognised during the year that was included in Advance from customer balance at the beginning of the year amounting to Rs. 9.5 million.

	Note	2022 Rupees	2021 Rupees
11 ACCRUED INTEREST / MARKUP			
Long term finances		16,770,680	17,936,419
Short term borrowings.		24,887,657	2,028,038
		<u>41,658,337</u>	<u>19,964,457</u>
12 SHORT TERM BORROWINGS			
From banking companies:			
Running finance - secured	12.2	709,058,853	2,465,663
Bank overdraft - unsecured	12.3	20,379,759	53,973,608
Foreign currency loans - secured	12.4	370,170,298	-
		<u>1,099,608,910</u>	<u>56,439,271</u>
12.1	The aggregate un-availed short term borrowing facilities amount to Rs. 3,157 million (2021: Rs. 3,635 million). Short term borrowings are secured against ranking charge of Rs. 2,491 million (2021: Rs.1,891 million) and first pari passu charge of Rs. 4,184 million (2021: Rs. 4,184 million) on all present and future current assets of the Company.		
12.2	These facilities have been obtained from various commercial banks for working capital requirements; carrying mark-up ranging from 7.62% to 15.42% (2021: 7.28% to 8.53%) per annum. These facilities expire on various dates by May 31, 2023.		
12.3	This represents booked overdraft due to cheques issued by the Company in excess of balance with banks which will be presented for payment in subsequent period.		
12.4	These facilities have been obtained from various commercial banks for working capital requirements; carrying mark-up ranging from 1.05% to 2.80% per annum. These facilities expire on various dates by March 31, 2023.		
		2022 Rupees	2021 Rupees
13 PROVISION FOR TAXATION / ADVANCE INCOME TAX - NET			
Opening balance		32,319,337	57,797,558
Paid / deducted during the year		151,096,797	90,517,009
		<u>183,416,134</u>	<u>148,314,567</u>
Provision for taxation		(209,801,560)	(115,995,230)
Closing balance		<u>(26,385,426)</u>	<u>32,319,337</u>
14 CONTINGENCIES AND COMMITMENTS			
14.1 Contingencies			
Guarantees issued by banks in favor of Government departments on behalf of the Company in the normal course of business		163,128,046	143,128,046
Post dated cheques issued to Collector of Customs and SNGPL		8,375,381,843	5,300,919,720
		<u>8,538,509,889</u>	<u>5,444,047,766</u>
14.2 Tax contingencies			
The income tax assessments of the Company upto and including tax year 2021 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the Income Tax Ordinance, 2001 ('Ordinance'), except for the amendments and other proceedings mentioned below:			

14.2.1 Tax year 2014

The Company's case was selected for audit by the department for tax year 2014 in terms of section 177 of the Income Tax Ordinance ('Ordinance') vide letter dated December 4, 2018. The audit proceedings concluded by the department through order dated March 30, 2019 passed under section 122(1)/122(5) of the Ordinance, raising a tax demand of Rs. 5.94 million by making certain disallowances / additions out of the profit and loss account. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) ['CIR(A)'] against this order which is yet to be fixed for a hearing. The company's appeal, before the CIR(A), in connection with order dated March 30, 2019 passed under section 122(4)/122(5) of the Ordinance was decided through appellate order dated December 2, 2020. Through the appellate order, majority of the issues were either upheld or remanded back by the CIR(A). The company has filed an appeal before the ATIR against the aforementioned order, which is yet to be fixed for a hearing.

14.2.2 Tax year 2019

During the year, amendment proceedings under section 122(9)/122(5A) against the company for tax year 2019 were concluded through order dated September 03, 2020 passed by the Additional Commissioner Inland Revenue, Audit – II, Zone – III, Large Taxpayers Office, Lahore (ACIR) under section 122(5A) of the Ordinance. The aforementioned order was later rectified through order dated December 21, 2020 under section 221(1) of the Ordinance. A demand of Rs 4.907 million was raised through the rectified order, which majorly pertains to proration of expenses, salaries and gas infrastructure development cess. The company has filed an appeal before the CIR(A) against the aforementioned order.

14.3 Commitments

	2022 Rupees	2021 Rupees
Irrevocable letters of credit for:		
Capital expenditures	728,855,142	19,118,862
Non-capital expenditures	310,675,634	261,542,993
	1,039,530,776	280,661,855
Short term lease:		
Payable within one year	877,179	821,829
	<u>1,040,407,955</u>	<u>281,483,684</u>

15 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	Note	2022 Rupees	2021 Rupees
Operating fixed assets	15.1	2,428,776,016	2,246,300,367
Capital work-in-progress	15.1.5	84,822,665	52,838,339
		<u>2,513,598,681</u>	<u>2,299,138,706</u>

15.1 Operating fixed assets - as at June 30, 2022

Description	----- COST / REVALUED AMOUNT -----		----- DEPRECIATION -----		Net book value as at June 30, 2022	Annual rate of depreciation
	As at July 01, 2021	Additions / (disposals)	As at June 30, 2022	As at July 01, 2021		
Owned						
Freehold land	105,048,000	-	105,048,000	-	-	-
Buildings on freehold land						
- Factory	259,670,131	20,258,873	279,929,004	165,305,809	9,941,737	10%
- Residential	111,693,771	9,440,120	121,133,891	71,057,711	4,300,775	10%
Buildings on leasehold land	36,261,108	-	36,261,108	23,309,040	1,295,207	10%
Plant and machinery	3,443,900,551	373,109,487	3,792,959,532	1,538,823,826	203,398,370	10%
		(24,050,506)			(20,556,294)	
Electric installation	80,999,973	-	80,999,973	54,279,449	2,672,053	10%
Factory equipment	11,277,551	4,397,223	15,674,774	6,903,458	547,339	10%
Furniture and fixture	10,069,922	414,000	10,483,922	5,571,175	475,192	10%
Office equipment	10,998,608	1,342,819	12,258,427	7,039,267	448,844	10%
		(83,000)			(32,552)	
Arms and ammunition	328,774	-	328,774	230,768	9,801	10%
Vehicles	72,396,807	13,239,920	79,648,530	23,824,326	10,850,384	20%
		(5,988,197)			(3,745,766)	
	4,142,645,196	422,202,442	4,534,725,935	1,896,344,829	233,939,702	2,428,776,016
		(30,121,703)			(24,334,612)	

15.1.1 Operating fixed assets - as at June 30, 2021

Description	----- COST / REVALUED AMOUNT -----			----- DEPRECIATION -----			Net book value as at June 30, 2021	Annual rate of depreciation
	As at July 01, 2020	Additions / (disposals)	As at June 30, 2021	As at July 01, 2020	For the year / (on disposals)	As at June 30, 2021		
Owned								
Freehold land	105,048,000	-	105,048,000	-	-	-	105,048,000	-
Buildings on freehold land								
- Factory	253,854,191	5,815,940	259,670,131	155,091,438	10,214,371	165,305,809	94,364,322	10%
- Residential	111,693,771	-	111,693,771	66,541,297	4,516,414	71,057,711	40,636,060	10%
Buildings on leasehold land	36,261,108	-	36,261,108	21,869,921	1,439,119	23,309,040	12,952,068	10%
Plant and machinery	3,052,908,968	390,991,583	3,443,900,551	1,345,250,095	193,573,731	1,538,823,826	1,905,076,725	10%
Electric installation	79,504,056	2,695,917	80,999,973	52,563,585	2,845,331	54,279,449	26,720,524	10%
		(1,200,000)			(1,129,467)			10%
Factory equipment	11,277,551	-	11,277,551	6,417,448	486,010	6,903,458	4,374,093	10%
Furniture and fixture	9,375,423	694,499	10,069,922	5,142,051	429,124	5,571,175	4,498,747	10%
Office equipment	10,692,608	306,000	10,998,608	6,615,896	423,371	7,039,267	3,959,341	10%
Arms and ammunition	328,774	-	328,774	219,878	10,890	230,768	98,006	10%
Vehicles	69,540,647	20,149,374	72,396,807	27,726,142	9,364,671	23,824,326	48,572,481	20%
		(17,293,214)			(13,266,487)			
	3,740,485,097	420,653,313	4,142,645,196	1,687,437,751	223,303,032	1,896,344,829	2,246,300,367	
		(18,493,214)			(14,395,954)			

15.1.2 Disposal of property, plant and equipment

Detail of property, plant and equipment with book value exceeding Rs. 500,000 disposed off during the year is as follows:

Particulars	Cost / Fair value	Accumulated depreciation	Written down value	Sale proceeds	Gain / (Loss)	Buyer Name
Plant and Machinery	24,050,506	20,556,294	3,494,212	4,400,000	905,788	Gagan textile
Vehicle - Honda City	1,693,507	1,184,206	509,301	1,315,000	805,699	Mr. Sharafat Ali
Vehicle - Honda Civic	2,736,875	1,450,811	1,286,064	2,000,000	713,936	Mr. M Shahzad Amin

15.1.2.1 Items of property, plant and equipment are sold at market value.

15.1.2.2 There is no relationship between Company and buyers.

	Note	2022 Rupees	2021 Rupees
15.1.3	The depreciation charge for the year has been allocated as follows:		
	Cost of sales	222,155,484	213,074,974
	Administrative expenses	11,784,224	10,228,062
		<u>233,939,708</u>	<u>223,303,036</u>

15.1.4 The Company follows the revaluation model for its Land. Fair value measurement as at March 30, 2019 was performed by "Hamid Mukhtar & Co (Private) Limited", an independent valuers not connected with the Company. The fair value of the freehold land amounting to Rs. 105.04 million is ascertained according to the local market and the forced sale value of land is Rs. 89.29 million.

Particulars of immovable property (i.e., land and building) in the name of the Company are as follows:

Location	Usage of immovable property	Total area (in Kanals)	Covered area (in Kanals)
13.5 Km, Sharakpura Road, Sheikhupura, Punjab	Manufacturing facility	210	83

The table below analyses the assets 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 (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	Rupees			
Freehold land	-	105,048,000	-	<u>105,048,000</u>

	Note	2022 Rupees	2021 Rupees
Had there been no revaluation, the carrying value of the freehold land would have been		<u>2,207,366</u>	<u>2,207,366</u>
15.1.5 Capital work-in-progress			
Building under construction		10,936,816	-
Plant and machinery		41,683,999	46,997,849
Advances for building on freehold land		32,201,850	5,840,490
		<u>84,822,665</u>	<u>52,838,339</u>
As at July 01		52,838,339	39,824,587
Additions during the year		454,186,768	433,667,065
Transfer to property, plant and equipment		(422,202,442)	(420,653,313)
As at June 30		<u>84,822,665</u>	<u>52,838,339</u>
16 INTANGIBLE ASSETS			
This represents computer software and ERP system.			
Cost			
As at July 01		5,893,472	5,893,472
Additions during the year		-	-
As at June 30		<u>5,893,472</u>	<u>5,893,472</u>
Accumulated amortization			
As at July 01		5,893,472	4,813,001
Amortization during the year	16.1	-	1,080,471
As at June 30		<u>5,893,472</u>	<u>5,893,472</u>
		<u>-</u>	<u>-</u>
16.1 The amortization has been charged to administrative expenses.			

	Note	2022 Rupees	2021 Rupees
17 LONG TERM DEPOSITS			
Security deposit - WAPDA		15,007,600	15,007,600
Security deposit - CDC		25,000	25,000
Security deposit - Telephone		6,400	6,400
		<u>15,039,000</u>	<u>15,039,000</u>
17.1	These are interest free refundable security deposits.		
		2022 Rupees	2021 Rupees
18 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores and spares		86,760,523	65,097,315
Sizing material		28,130,436	14,396,984
		<u>114,890,959</u>	<u>79,494,299</u>
19 STOCK-IN-TRADE			
Raw material		591,329,819	326,373,795
Raw material in transit		130,607,467	76,316,204
Work-in-process		214,220,851	112,850,341
Finished goods		891,010,214	441,079,911
		<u>1,827,168,351</u>	<u>956,620,251</u>
20 TRADE RECEIVABLES			
Considered good:			
Local		945,248,974	651,069,227
Foreign		297,271,056	35,409,579
		<u>1,242,520,030</u>	<u>686,478,806</u>
20.1	Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of credit customers, to assess whether or not impairment allowance is required. Further, considering that there is no history of default in trade receivable balances and forward looking information, the Company has not recognized any impairment allowance on these balances.		
		2022 Rupees	2021 Rupees
20.2	The aging of trade receivables as at statement of financial position date is as follows:		
	Neither past due nor impaired	497,528,671	558,849,360
	Past due but not impaired:		
	Up to 90 days	741,799,413	124,033,143
	90 to 180 days	3,191,946	3,596,303
		<u>744,991,359</u>	<u>127,629,446</u>
		<u>1,242,520,030</u>	<u>686,478,806</u>
21 ADVANCES			
Suppliers - unsecured		10,710,462	1,387,944
Staff - secured	21.1	1,725,617	1,238,491
Letters of credit	21.2	2,020,648	7,240,388
		<u>14,456,727</u>	<u>9,866,823</u>
21.1	These are interest free advances to employees, other than executives, repayable within one to six months.		
21.2	These include advances paid in respect of letters of credit for spare parts and raw material.		

	Note	2022 Rupees	2021 Rupees	
22	SHORT TERM PREPAYMENTS			
	Prepaid insurance	1,875,953	1,787,099	
	Prepaid rent	268,416	268,416	
	Prepaid guarantee commission	695,782	5,526,142	
		<u>2,840,151</u>	<u>7,581,657</u>	
23	OTHER RECEIVABLES			
	Export rebate receivable	786,989	1,991,301	
	Sundry receivables	542,735	370,080	
		<u>1,329,724</u>	<u>2,361,381</u>	
24	SALES TAX REFUNDABLE			
	This represents accumulated differences of input tax on purchases and output tax payable.			
25	OTHER FINANCIAL ASSETS			
	Investments classified as FVTOCI			
	Equity investments	25.2	<u>215,890,321</u>	<u>352,604,933</u>
25.1	Reconciliation between fair value and cost of equity investments classified at FVTOCI			
	Fair value of investments			
	- in listed equity securities	25.2	215,890,321	352,604,933
	Loss on remeasurement of investments	25.3	(80,055,715)	(30,737,412)
	Cost of investment		<u>295,946,036</u>	<u>383,342,345</u>
25.2	Investments in securities classified at FVTOCI			

Name of Companies	No. of shares		Cost		Fair value	
	2022	2021	2022	2021	2022	2021
			-----Rupees-----		-----Rupees-----	
Agriauto Industries Limited	16,300	16,300	7,240,030	7,240,030	2,184,200	4,472,557
Bank Alfalah Limited	271,850	271,850	11,603,255	11,603,255	8,699,200	8,748,133
Bank Al Habib Limited	683,500	683,500	40,003,054	40,003,054	39,684,010	47,927,019
Engro Fertilizers Limited	-	1,335,500	-	87,396,309	-	93,845,585
Fatima Fertilizer Company Limited	365,000	365,000	12,064,996	12,064,996	13,797,000	10,493,750
Fauji Cement Company Limited	1,250,000	1,250,000	28,562,500	28,562,500	17,712,500	28,750,000
Habib Bank Limited	410,600	410,600	57,379,652	57,379,652	37,504,205	50,245,122
Habib Metropolitan Bank Limited	447,000	447,000	16,202,628	16,202,628	17,455,350	18,148,200
Loads Limited	110,000	110,000	4,862,355	4,862,355	1,068,100	2,377,089
MCB Bank Limited	76,600	76,600	16,114,874	16,114,874	9,420,256	12,242,978
Oil & Gas Development Company	150,000	150,000	23,795,648	23,795,648	11,800,500	14,254,500
United Bank Limited	500,000	500,000	78,117,044	78,117,044	56,565,000	61,100,000
	<u>4,280,850</u>	<u>5,616,350</u>	<u>295,946,036</u>	<u>383,342,345</u>	<u>215,890,321</u>	<u>352,604,933</u>

These investments have been classified at FVTOCI as they have been held for medium to long term periods.

	Note	2022 Rupees	2021 Rupees
25.3 Unrealized loss on remeasurement of equity investments classified at FVTOCI			
Opening balance		(30,737,412)	(87,202,727)
(Loss) / gain for the period		(33,423,685)	63,590,219
Transfer of gain / (loss) on disposal of equity investments at FVTOCI to unappropriated profit		(15,894,618)	(7,124,904)
		(49,318,303)	56,465,315
Closing balance		(80,055,715)	(30,737,412)
26 CASH AND BANK BALANCES			
Cash in hand		506,394	549,589
Cash at banks:			
- Current accounts	26.1	24,290,428	60,817,213
		24,796,822	61,366,802

26.1 Cash at banks include current accounts in local currency amounted to Rs. 12.04 million (2021: Rs. 60.29 million) and foreign currency amounted to USD 60,206 equivalent of Rs. 12.25 million (2021: Rs. 0.522 million).

27 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company derives its revenue from contracts with customers for the transfer of goods at a point in time in the following major product lines:

	2022		
	Local	Export	Total
	Rupees		
Cloth	10,233,617,521	4,034,183,497	14,267,801,018
Yarn	840,060	-	840,060
Waste	91,223,052	-	91,223,052
	10,325,680,633	4,034,183,497	14,359,864,130
Less: Sales tax on sales	(1,500,157,791)	-	(1,500,157,791)
Add: Export rebate	-	912,484	912,484
	8,825,522,842	4,035,095,981	12,860,618,823
	2021		
	Rupees		
Cloth	5,817,473,173	3,124,119,230	8,941,592,403
Yarn	6,331,754	-	6,331,754
Waste	56,506,683	-	56,506,683
	5,880,311,610	3,124,119,230	9,004,430,840
Less: Sales tax on sales	(854,393,355)	-	(854,393,355)
Add: Export rebate	-	529,704	529,704
	5,025,918,255	3,124,648,934	8,150,567,189

27.1 As per the Finance Act 2020, sales tax is levied in the current year on the local sales at a rate of 17%.

	Note	2022 Rupees	2021 Rupees
28 COST OF SALES			
Raw material consumed	28.1	10,330,559,298	5,799,998,352
Fuel and power		813,318,789	499,216,595
Salaries, wages and benefits	28.2	557,528,519	404,374,160
Stores and spares consumed		89,425,232	80,275,616
28 COST OF SALES - Continued			
Sizing material consumed		182,062,326	135,409,488
Packing material consumed		44,749,897	35,683,185
Depreciation	15.1.3	222,155,484	213,074,974
Insurance		14,688,548	11,894,858
Repairs and maintenance		1,023,132	6,422,031
Vehicles running and maintenance		7,956,212	6,242,158
Traveling and conveyance		784,318	402,953
Lease rentals-land	28.3	402,628	378,228
Fee and subscription		572,200	327,485
Electricity duty		43,741,215	-
Others		5,072,079	4,855,308
		<u>12,314,039,877</u>	<u>7,198,555,391</u>
Work-in-process:			
At beginning of the year		112,850,341	86,316,978
At end of the year	19	(214,220,851)	(112,850,341)
		<u>(101,370,510)</u>	<u>(26,533,363)</u>
Cost of goods manufactured		<u>12,212,669,367</u>	<u>7,172,022,028</u>
Finished goods:			
At beginning of the year		441,079,911	234,619,936
Purchased/Processing charges during the year		2,233,791	15,878,476
At end of the year	19	(891,010,214)	(441,079,911)
		<u>(447,696,512)</u>	<u>(190,581,499)</u>
		<u>11,764,972,855</u>	<u>6,981,440,529</u>
28.1 Raw material consumed			
At beginning of the year		326,373,795	197,669,654
Purchases - net		10,595,515,322	5,928,702,493
		<u>10,921,889,117</u>	<u>6,126,372,147</u>
At end of the year	19	(591,329,819)	(326,373,795)
		<u>10,330,559,298</u>	<u>5,799,998,352</u>
28.2			
Staff salaries, wages and benefits include employee retirement benefits amounting to Rs. 32.7 million (2021: Rs. 26.4 million).			
28.3			
It represents the lease rental related to land obtained under lease arrangement from Nagina Cotton Mills Limited, (a related party). The agreement has been renewed in current year from March 01, 2022 and ending on February 28, 2023 against annual rental of Rs. 402,628 (2021: Rs. 402,628). This lease has been classified as short term lease as per IFRS 16.			
29 DISTRIBUTION COST	Note	2022 Rupees	2021 Rupees
Export			
Ocean freight and forwarding		63,331,917	24,611,017
Transportation and octroi		9,558,719	9,851,826
Export development surcharge		9,773,689	8,147,760
Commission.		32,912,106	33,206,968
Travelling expenses foreign		1,737,840	2,813,050
Others		16,847,722	15,241,002
		<u>134,161,993</u>	<u>93,871,623</u>
Local			
Freight, handling and transportation		6,461,707	2,659,338
Commission		49,511,064	23,039,360
Others		33,478,053	27,278,671
		<u>89,450,824</u>	<u>52,977,369</u>
		<u>223,612,817</u>	<u>146,848,992</u>

		2022	2021
	Note	Rupees	Rupees
30 ADMINISTRATIVE EXPENSES			
Staff salaries and benefits	30.1	51,467,188	46,267,171
Directors' remuneration		31,043,804	23,411,916
Vehicles running and maintenance		5,192,050	4,437,297
Depreciation	15.1.3	11,784,224	10,228,062
Amortization	16.1	-	1,080,471
Insurance		5,297,370	4,514,227
Telephone, telex and postage		1,103,322	1,036,497
Electricity		5,078,441	4,237,395
Fee and subscription		4,768,128	3,897,418
Auditors' remuneration	30.2	1,845,900	1,538,250
Printing and stationery		307,193	518,369
Legal and professional charges		3,827,105	4,266,330
Lease rentals	30.3	1,162,170	1,056,512
Repairs and maintenance		97,436	102,798
30 ADMINISTRATIVE EXPENSES - Continued			
Directors' meeting fee		855,000	685,000
Advertising		97,372	86,722
Others		457,860	482,094
		124,384,563	107,846,529
30.1	Staff salaries and benefits include employee retirement benefits amounting to Rs. 7.54 million (2021: Rs. 5.49 million).		
30.2 Auditors' remuneration			
Annual statutory audit		1,200,000	1,000,000
Half yearly review		300,000	250,000
Review report on Code of Corporate Governance		102,000	85,000
Out of pocket expenses		243,900	203,250
		1,845,900	1,538,250
30.3	It represents the lease rental related to land obtained under lease arrangement from Nagina Cotton Mills Limited, (a related party). The agreement has been renewed in current year from January 01, 2022 and ending on December 31, 2022 against annual rental of Rs. 1,162,170 (2021: Rs. 1,056,512). This lease has been classified as short term lease as per IFRS 16.		
31 OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund	10.2	33,571,966	43,749,209
Workers' Welfare Fund		12,757,347	16,594,610
Loss on forward contracts		121,943	-
Exchange loss	31.1	-	18,344
		46,451,256	60,362,163
31.1	This represents exchange loss on foreign currency loans obtained under short term financing.		
32 OTHER INCOME			
Dividend income on investments classified at FVTOCI		30,040,200	36,691,760
Dividend income on investments designated at FVTPL		1,305,586	-
Exchange gain		687,776	-
Gain on sale of property, plant and equipment		3,627,410	8,179,729
Gain on forward contracts		-	426,735
Gain on the sale of investment designated at FVTPL		5,090,439	4,207,668
		40,751,411	49,505,892
33 FINANCE COST			
Mark-up on:			
Long term finances from banking companies		66,046,465	70,413,542
Short term borrowings		30,446,854	5,154,170
Workers' Profit Participation Fund		8,540,086	400,584
		105,033,405	75,968,296
Bank charges and commission		12,365,797	13,067,645
		117,399,202	89,035,941

	Note	2022 Rupees	2021 Rupees
34 PROVISION FOR TAXATION			
Current		208,974,545	112,770,177
Prior		827,015	3,225,053
		209,801,560	115,995,230
Deferred	9.1	64,843,684	56,966,942
		274,645,244	172,962,173
34.1 Relationship between tax expense and accounting profit			
Profit before tax		624,549,541	814,538,927
Income tax using domestic corporate tax rate 29% (2021: 29%)		181,119,367	236,216,289
Tax effects of amounts that are:			
Effect of change in local sales ratio and tax rate		41,956,706	(10,828,657)
Effect of income chargeable at lower rates		(5,045,550)	(55,650,512)
Effect of super tax		55,787,706	-
Effect of prior year tax		827,015	3,225,053
		274,645,244	172,962,173

35 EARNINGS PER SHARE - BASIC AND DILUTED

The calculation of the basic earnings per share is based on the following data:

Profit after taxation for the year - (Rupees)	349,904,297	641,576,754
Number of shares outstanding	18,480,000	18,480,000
Earnings per share - Basic - (Rupees)	18.93	34.72

There is no dilutive effect on the basic earnings per share of the Company.

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	-----2022-----			-----2021-----		
	Rupees			Rupees		
Remuneration	15,375,000	13,500,000	11,030,640	11,616,667	10,200,000	10,270,640
Utilities	-	2,168,804	-	-	1,595,249	-
Gratuity	-	-	1,973,806	-	-	1,783,378
Other allowances	-	-	5,515,320	-	-	5,135,320
	15,375,000	15,668,804	18,519,766	11,616,667	11,795,249	17,189,338
Number of persons	1	1	5	1	1	5

36.1 In addition to above, the Directors have been provided with Company maintained cars.

36.2 In addition to above, 5 (2021: 5) Non Executive directors were paid aggregate meeting fee of Rs. 855,000 (2021: Rs.685,000).

37 CASH GENERATED FROM OPERATIONS

	2022 Rupees	2021 Rupees
Profit before taxation	624,549,541	814,538,927
Adjustments for:		
Depreciation on property, plant and equipment	233,939,708	223,303,036
Amortization of intangible assets	-	1,080,471
Provision for employee benefits	40,224,775	31,938,092
Dividend income	(30,040,200)	(36,691,760)
Gain on disposal of property, plant and equipment	(3,627,410)	(8,179,729)
Gain on the sale of investment	(5,090,439)	(4,207,668)
Finance cost	117,399,202	89,035,941
	352,805,636	296,278,383
Operating cash flows before working capital changes	977,355,177	1,110,817,310
Changes in working capital		
(Increase) / decrease in:		
Stores, spare parts and loose tools	(35,396,660)	(24,323,102)
Stock-in-trade	(870,548,100)	(438,013,683)
Trade receivables	(556,041,224)	(98,998,946)
Advances	(4,589,904)	(2,181,786)
Short term prepayments	4,741,506	(5,078,893)
Other receivables	1,031,657	1,146,402
Sales tax refundable	(215,760,354)	22,582,017
	(1,676,563,079)	(544,867,991)
(Decrease) / Increase in:		
Trade and other payables	296,146,246	(45,963,881)
Cash (used in) / generated from operations	(403,061,656)	519,985,438

38 FINANCIAL RISK MANAGEMENT

Credit risk
Liquidity risk
Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

38.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

Expected Credit Loss (ECL) on financial assets are measured as an allowance equal to lifetime ECL for trade receivables and 12-month ECL for other financial assets. An asset moves to lifetime ECL category when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company is exposed to credit risk from its operating activities primarily for local trade receivables, sundry receivables and other financial assets for which the Company does not hold collateral as security.

The Company's credit risk exposures are categorized under the following headings:

38.1.1 Counterparties

The Company conducts the following major types of the transactions with the counterparties:

Trade receivables

Trade receivables are essentially due from local customers against sale of cloth and from foreign customers against supply of cloth and the Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit evaluation. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit or other form of security.

Banks and investments

The Company limits its exposure to credit risk by only investing in highly liquid securities and only with counterparties that have a good credit rating. Given these credit ratings, Company does not expect any counterparty to fail to meet its obligations. The names and credit ratings of major banks, where the Company maintains bank balances as at June 30, 2022 are as follows:

Bank Name	Rating Agency	Credit Rating	
		Short Term	Long Term
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AA+
Al Baraka Bank (Pakistan) Limited	PACRA	A1	A
Habib Bank Limited	JCR-VIS	A1+	AAA
Meezan Bank Limited	JCR-VIS	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
United Bank Limited	JCR-VIS	A1+	AAA
Samba Bank Limited	JCR-VIS	A1	AA
The Bank of Punjab	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA

38.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2022 Rupees	2021 Rupees
Trade receivables	20	1,242,520,030	686,478,806
Bank balances	26	24,290,428	60,817,213
Long term deposits	17	15,039,000	15,039,000
		<u>1,281,849,458</u>	<u>762,335,019</u>

Geographically there is no concentration of credit risk.

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

Cloth	<u>1,242,520,030</u>	<u>686,478,806</u>
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There is no single significant customer in the trade receivables of the Company.

The maximum exposure to credit risk for trade receivables at the reporting date by type of product was:

Textile	<u>1,242,520,030</u>	<u>686,478,806</u>
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Ageing analysis of trade receivables subject to credit risk

1 to 90 days	1,239,328,084	682,882,503
91 to 180 days	3,191,946	3,596,303
	<u>1,242,520,030</u>	<u>686,478,806</u>

38.2 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Included in note 12.1 to these financial statements is a listing of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

38.2.1 Liquidity and interest risk table

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities under long term financing agreements based on the earliest date on which the Company can be required to pay.

Fair values of all other financial assets and liabilities approximate their fair values.

For effective markup rate please see note 6.2 and note 12.2 to these financial statements.

Carrying amount and contractual cash flows of trade and other financial liabilities are approximately same.

	Carrying amount	
	2022 Rupees	2021 Rupees
Trade and other payables		
Maturity up to one year	702,106,575	507,635,367
Accrued interest / markup		
Maturity up to one year	41,658,337	19,964,457
Unclaimed dividend		
Maturity up to one year	6,353,906	6,255,331
Short term borrowings		
Maturity up to one year	1,099,608,910	56,439,271
Long term finances		
Maturity up to one year	303,656,639	355,244,128
Maturity after one year and up to five years	1,122,664,381	1,294,234,771
Maturity after five years	519,158,231	342,616,712
	<u>1,945,479,251</u>	<u>1,992,095,611</u>
	<u>3,795,206,979</u>	<u>2,582,390,037</u>

38.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

38.3.1 Foreign currency risk management

Pak Rupee (PKR) is the functional currency of the Company and as a result currency exposure arise from transactions and balances in currencies other than PKR. The Company's potential currency exposure comprise;

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as a part of overall risk management strategy.

Exposure to foreign currency risk

The Company's net exposure to foreign currency risk was as follows based on notional amounts:

	Currency	2022	2021
Trade receivables	USD	1,290,093	226,665
Foreign currency loan	USD	2,361,434	-
		<u>3,651,527</u>	<u>226,665</u>

The following significant exchange rates have been applied:

	Average rate		Reporting date mid spot rate	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
USD 1	181.90	160.31	205.75	158.05

Commitments outstanding at year end amounted to Euro: 0.66 million (2021: Nil), USD: 1.82 million (2021: 261 million), CHF: 7,671 (2021: Nil) and JPY: 321 million (2021: Nil) relating to letter of credits for import of plant and Machinery, stores, spare parts and raw material.

Sensitivity analysis

A 10 percent weakening of the Pak Rupee against the USD at June 30, 2022 would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2022.

	2022	2021
	Rupees	Rupees
Decrease in profit and loss account due to change in USD	75,130,168	3,582,440

A 10 percent strengthening of the Pak Rupee against the USD at June 30, 2022 would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

38.3.2 Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. Sensitivity to interest rate risk arises from mismatches of financial assets and liabilities that mature in a given period.

Profile

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

<u>Fixed rate instruments</u>	2022	2021	2022	2021
	-----%-----		----- Rupees -----	
	2.50%	2.50%	155,936,248	173,735,000
	6.50%	6.50%	3,228,105	16,140,485
	6.50%	6.50%	136,718,637	173,176,941
	8.00%	8.00%	-	58,685,902
	3.50%	3.50%	99,838,676	123,330,129
	2.50%	2.50%	474,043,145	556,485,429
	2.50%	2.50%	23,809,288	27,618,772
	2.50%	2.50%	111,728,000	127,688,000
	2.50%	2.50%	10,752,000	12,288,000
	2.50%	2.50%	2,575,000	2,884,000
	2.50%	2.50%	18,119,000	21,015,000
	2.50%	2.50%	107,563,000	107,563,000
	3.00%	3.00%	318,263,000	318,263,000
	3.00%	0.00%	348,721,000	-
			1,811,295,099	1,718,873,658
Floating rate instruments				
Financial liabilities				
Long term finances	1.00% to 12.95%	1.00% to 9.00%	134,184,152	272,524,907
Short term borrowings	7.62% to 15.42%	7.28% to 8.33%	729,438,612	56,439,271
			863,622,764	328,964,178

Fair value sensitivity analysis for fix rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit and loss account.

Fair value sensitivity analysis for floating rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in floating interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on finance cost).

	Increase / (decrease) in basis points Points	Decrease / (increase) of profit Rupees
2022	+ (-) 200	1,929,866
2021		1,511,354

38.3.3 Equity price risk management

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 215.9 million (2021: Rs. 352.6 million). A decrease of 39% on the listed equity securities would have an impact of approximately Rs. 136 million (2021: Rs. 88 million increase) on the income or equity attributable to the Company, depending on whether or not the decrease is significant and prolonged. However, during the current year Company sold all shares of Engro Fertilizers Limited.

38.3.4 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk, currency risk or equity price), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

38.4 Determination of fair values**Fair value of financial instruments**

Fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Equity instruments at FVTOCI as disclosed in other financial assets, are presented at fair value by using quoted prices at Pakistan Stock Exchange (PSX) as at June 30, 2022. The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

The financial instrument, if any, that are not traded in active market are carried at cost and are tested for impairment according to IFRS 9.

The carrying amount less impairment provision, if any, of trade receivables and payables and financial liabilities are assumed to approximate to their fair values.

38.5 Fair value hierarchy

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 (unobservable inputs).

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

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets - at fair value				
Equity Investments designated at FVTOCI	215,890,321	-	-	215,890,321
	215,890,321	-	-	215,890,321
	June 30, 2021			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets - at fair value				
Equity Investments designated at FVTOCI	352,604,933	-	-	352,604,933
	352,604,933	-	-	352,604,933

At June 30, 2022, 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.

The levels and hierarchy of fixed assets at fair values are disclosed in note 15.1.3 to the financial statements.

38.6 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

	2022 Rupees	2021 Rupees
Total borrowings	3,046,718,920	2,056,643,616
Cash and bank balance	(24,796,822)	(61,366,802)
Net debt	3,021,922,098	1,995,276,814
Total equity	2,015,919,266	1,746,678,433
Total capital	5,037,841,364	3,741,955,247
Gearing ratio	59.98%	53.32%

39 TRANSACTIONS WITH RELATED PARTIES

Related parties from the Company's perspective comprise, associated undertakings, key management personnel (including chief executive and directors), their close family members and post retirement benefit plans. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out on permissible basis and agreed terms.

Amounts due from and to related parties are shown under receivables and payables, if any, and remuneration of directors and key management personnel is disclosed in note 36.

Other significant transactions with related parties are as follows:

Nature of relation	Nature of transactions	2022	2021
		Rupees	Rupees
Associated company	Purchase of goods and services	5,338,700,558	2,240,550,621
	Sale of goods and services	113,862	119,511
	Dividend paid	13,948,208	41,844,623
	Rent expense	1,564,798	1,459,138
Key management personnel	Payment of dividend to directors and their close family members	26,523,907	79,571,722

39.1 Following are the related parties with whom the Company had entered into transaction or have arrangements / agreement in place.

Name of related party	Basis of relationship	Aggregate % of Shareholding in the Company
Ellahi International Private Limited	Associated Company - Common Director	20.278%
ARH (Private) Limited	Associated Company - Common Director	9.081%
Monell (Private) Limited	Associated Company - Common Director	0.280%
ICARO (Private) Limited	Associated Company - Common Director	0.275%
Haroon Omer (Private) Limited	Associated Company - Common Director	0.280%
Nagina Cotton Mills Limited	Associated Company - Common Director	-
Ellcot Spinning Mills Limited	Associated Company - Common Director	-
Pacific Industries (Private) Limited	Associated Company - Common Director	-
Mr. Shahzada Ellahi Shaikh	Key management personnel	11.473%
Mr. Shaukat Ellahi Shaikh	Key management personnel	11.573%
Mr. Shafqat Ellahi Shaikh	Key management personnel	11.472%
Mr. Haroon Shahzada Ellahi Shaikh	Key management personnel	3.791%
Mr. Amin Ellahi Shaikh	Key management personnel	7.576%
Mr. Raza Ellahi Shaikh	Key management personnel	7.580%
Ms. Parveen Akhter Malik	Key management personnel	0.003%
Mr. Aneeq Khawar	Key management personnel	0.003%
Mr. Arfa Waheed Malik	Key management personnel	0.003%
Mr. Javaid Bashir Sheikh	Key management personnel	0.003%
Mr. Omer Ellahi Shaikh	Close family members of key management	3.788%
Mrs. Hummera Shahzada	Close family members of key management	0.016%
Mrs. Mona Shaukat	Close family members of key management	0.016%
Mrs. Shaista Shafqat	Close family members of key management	0.016%
Mrs. Mehreen Saadat	Close family members of key management	0.104%

40 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Opening	Net cash flows	Recognised as deferred grant	Closing
2022	----- Rupees -----			
Long term finances	1,992,095,611	(46,616,360)	-	1,945,479,251
Unclaimed dividend	6,255,331	-	-	6,353,906
Short term borrowings	56,439,271	1,043,169,639	-	1,099,608,910
	<u>2,054,790,213</u>	<u>996,553,279</u>	<u>-</u>	<u>3,051,442,067</u>
2021				
Long term finances	1,618,544,819	366,182,413	9,368,379	1,992,095,611
Unclaimed dividend	5,289,251	-	-	6,255,331
Short term borrowings	366,998,931	(310,559,660)	-	56,439,271
	<u>1,990,833,001</u>	<u>55,622,753</u>	<u>9,368,379</u>	<u>2,054,790,213</u>

	2022	2021
41 PLANT CAPACITY AND ACTUAL PRODUCTION		
Air Jet Looms installed (Number)	334	316
Installed capacity at 50 Picks (meters)	71,210,762	69,389,931
Actual production (meters)	54,845,192	54,932,886
Actual production after conversion into 50 Picks (meters)	76,783,948	74,719,739
The difference between installed capacity and actual production is in normal course of business.		

42 NUMBER OF EMPLOYEES

	At year end		Average	
	2022	2021	2022	2021
Head office	47	46	47	45
Plant	1,144	1,106	1,125	1,071
Total number of employees	<u>1,191</u>	<u>1,152</u>	<u>1,172</u>	<u>1,116</u>

43 SUBSEQUENT EVENTS

In respect of current year, the board of directors proposed to pay cash dividend @ Rs. 5/- (2021: Rs. 10) per ordinary share of Rs. 10 each. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting and has not been included as a liability in these financial statements.

44 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on September 28, 2022.

45 GENERAL

The figures have been rounded off to the nearest Rupee.

Lahore: September 28, 2022


Raza Ellahi Shaikh
 Chief Executive Officer


Muhammad Tariq Sheikh
 Chief Financial Officer


Amin Ellahi Shaikh
 Director



PROSPERITY

PROSPERITY WEAVING MILLS LTD.

THE SPINNING, THE WEAVING, THE DYEING

Creating the finest handloomed fabrics in India

Our Products:

- 100% Cotton Handloomed Fabrics
- 100% Silk
- 100% Polyester
- 100% Cotton Polyester
- 100% Cotton Polyester
- 100% Cotton Polyester

Our Services:

- Design Development
- Textile Development
- Weaving
- Finishing
- Inventory Management
- Logistics & Distribution Services

CONTACT US

www.prospirity.com



FORM OF PROXY

The Secretary,
PROSPERITY WEAVING MILLS LTD.
 Nagina House
 91-B-1, M.M. Alam Road,
 Gulberg-III,
 Lahore-54660.

I/We _____ of _____ being member(s) of **PROSPERITY WEAVING MILLS LTD.**, and holder of _____ Ordinary Shares as per Share Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) hereby appoint _____ of _____ who is member of the Company as per Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) or failing him/her _____ of _____ who is member of the Company as per Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) as my/our proxy to vote for me/us and on my/our behalf at the 31st Annual General Meeting of the Company to be held on October 27, 2022 and at any adjournment thereof.

Signed at _____ this the _____ day of _____ 2022

WITNESSES:

1. Signature _____	2. Signature _____
Name _____	Name _____
Address _____	Address _____
_____	_____
CNIC _____	CNIC _____
_____	_____

affix
 Rs. 50/=
 Revenue
 Stamp

(Signature should agree with the Specimen signature registered with the Company)

NOTES:

1. If a member is unable to attend the meeting, he/she may sign this form and send it to the Secretary so as to reach him not less than 48 hours before the time of holding the meeting.
2. Members through CDC appointing proxies must attach attested copy of their Computerized National Identity Card (CNIC) with the proxy form.
3. The Shareholders through CDC, who wish to attend the Annual General Meeting are requested to please bring, original Computerized Identity Card with copy thereof duly attested by their Bankers, Account Number and Participant I.D Number for identification purpose.
4. In case of corporate entity, certified copy of the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.

پراکسی فارم (مختار نامہ)

یکٹری

پراسپریتی ویونگ ملز لمیٹڈ

گھنٹہ ہاؤس، B-91، ایم ایم عالم روڈ

گجیرگ III، لاہور 54660

میں اہم

ساکن

بحیثیت رکن پراسپریتی ویونگ ملز لمیٹڈ اور حال حاضر برطانیہ شیئر رجسٹرڈ فریو نمبر

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر پارٹنیشن (شرکت) آئی ڈی نمبر)

ذریعہ پناہ

محترم / محترمہ

ساکن

جو کہ اپنی کامیابیوں سے برطانیہ شیئر رجسٹرڈ فریو نمبر

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر پارٹنیشن (شرکت) آئی ڈی نمبر)

پراکسی فرم موجودگی میں محترم / محترمہ

ساکن

جو کہ اپنی کامیابیوں سے برطانیہ شیئر رجسٹرڈ فریو نمبر

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر پارٹنیشن (شرکت) آئی ڈی نمبر)

مورچہ 27 اکتوبر 2022ء کو منعقد ہونے والے کئی کے 31 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقرر اور شرکت کرنے یا کسی بھی التوا کی صورت میں اپنا/ ہمارا بطور مختار

(پراکسی) مقرر کرتا ہوں کرتے ہیں۔

دستخط: آج بروز: تاریخ: 2022ء

گواہ:

50 روپے کارڈ سیدی گٹ

چھاپا کریں

1- دستخط:

2- دستخط:

نام:

نام:

پتہ:

پتہ:

شناختی کارڈ نمبر:

شناختی کارڈ نمبر:

نوٹ:

1- اگر ایک ممبر اجلاس میں شرکت کے قابل نہیں ہے تو وہ اس فارم پر دستخط کرے اور یکٹری کو اس طور ارسال کر دے کہ اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل پہنچ جائے۔

2- سی ڈی سی کے ذریعے حصص یافتگان پراکسی تقرر کرتے ہوئے پراکسی فارم کے ہمراہ اپنے کمپیوٹر یا ذوقی شناختی کارڈ کی مصدقہ کاپی منسلک کریں۔

3- سی ڈی سی کے ذریعے حصص یافتگان جو سالانہ اجلاس میں شرکت کرنا چاہتے ہوں سے التماس ہے کہ شناخت کے مقصد کے لئے اصل کمپیوٹر یا ذوقی شناختی کارڈ ہمراہ اپنے ڈیجیٹل سے اپنی مصدقہ کاپی اکاؤنٹ نمبر اور پارٹنیشن آئی ڈی نمبر ہمراہ لائیں۔

4- کارپوریٹ اثاثگی کی صورت میں، بورڈ آف ڈائریکٹری قرار داد/مختار نامہ کی مصدقہ کاپی معصومہ دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کئی میں جمع کرانا ہوگا۔