

**THIRD QUARTER REPORT
FOR THE PERIOD ENDED
MARCH 31, 2023
(Un-Audited)**



PROSPERITY WEAVING MILLS LTD.



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PROSPERITY WEAVING MILLS LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

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

MANAGING DIRECTOR (Chief Executive) Mr. Raza Ellahi Shaikh

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

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

EXECUTIVE COMMITTEE

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

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Tariq Sheikh

HEAD OF INTERNAL AUDIT

Mr. Kashif Saleem

AUDITORS

Messrs Yousuf Adil.
Chartered Accountants

CORPORATE ADVISORS

Bandial & Associates

LEAD BANKERS

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

REGISTERED OFFICE

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

REGIONAL OFFICE

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

WEB REFERENCE

www.nagina.com

SHARES REGISTRAR

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

MILLS

13.5 K.M
Sheikhupura Sharaqpur Road, Sheikhupura



DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the third quarter ended on March 31, 2023. The comparative figures for the corresponding quarter ended on March 31, 2022 are included for comparison, except in statement of financial position where figures are for the year ended on June 30, 2022.

Company Performance

Alhamdulillah, despite difficult business environment, your company has managed to remain profitable and earned after tax profit of Rs. 48,823,881 or 1.29% of sales compared to Rs. 86,243,896 or 2.86% of sales during the same period of last year (SPLY). Earning per share (EPS) is Rs. 2.64 for the current quarter compared to Rs. 4.67 during the SPLY.

Sales revenue for the quarter under review increased by 25.79% over the SPLY and stood at Rs. 3,795,503,405 compared to Rs. 3,017,360,182. The increase is mainly due to volume rise as well as price increase. Cost of sales increased from 92.14% of sales during SPLY to 92.44% of sales during the period under review. Increase in cost of sales is mainly due to increase in energy, labor and store & spares costs. Increase in cost of sales resulted in lower Gross Profit (GP) from 7.86% of sales during SPLY to 7.56% of sales during the period under review.

Distribution costs surged from 2.26% of sales in the same period last year (SPLY) to 2.52% in the current period. However, administration expenses dropped from 1.02% of sales in SPLY to 0.96% in the current period.

The company has been able to generate stable cash flows and made timely discharge of its operating liabilities. During the quarter interest rates rose to historical high levels. High interest rates have raised bank financing costs to unbearable levels. State Bank of Pakistan (SBP) is not allowing LTFF financing for purchase of machinery. Consequently, all the imported machinery retired in last one year or so is exposed to market based interest rates. All these factors in combination have resulted in rise in finance cost to 1.54% of sales during the period as compared to 0.73% of sales during SPLY.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2022-23 (final data of the year), Kapas, (seed cotton) arrivals upto April 01, 2023, at the Ginneries totalled 4.912 million bales compared to 7.442 million bales for the financial year 2021-22 showing decrease in arrival of 33.10%.

Future Outlook

The textile sector and the company is currently facing challenging economic conditions. The profit margins for products are under strain in both domestic and international markets. Customers are complaining of depressed demand for finished goods putting downward pressure on fabric demand. The monetary tightening being pursued by the central banks of major economies is likely to cause an international recession. Even the major international banks are going through tough times and few of the banks are under bankruptcy. This negative environment has also led to slowdown in demand for textiles in the global markets.



PROSPERITY WEAVING MILLS LTD.

The Government has abolished concessional power tariff w.e.f. March 1, 2023. This has exposed the textile sector to very high power costs for manufacturing. Therefore, sector is facing dual pressure of lower demand for its products and high input costs.

The government is making efforts to finalize an IMF agreement, but the delay is fueling negative speculation about USD/PKR parity. Once the agreement is in place, energy costs, interest rates, taxes, and other expenses may increase to meet the IMF's targets. The upcoming fourth quarter of the financial year looks even more difficult, with potential financial losses on the horizon.

The State Bank of Pakistan (SBP) policy rate of 21% is significantly affecting demand for textiles and also raising the financial costs of the company. We hope that this is the end of interest rate rise spree. Company is going through expansion/ BMR programme. For this purpose, the company obtained financing arrangements from banks on LTFF financing basis. However, SBP is not allowing LTFF financing to the borrowers. This has exposed the company to very high market based interest costs.

Your Company is aware of the current business challenges and is consistently evaluating its approach to meet customer demands, enhance productivity through innovation, efficiency, and effective cost management initiatives. We are pleased to inform that 48 new looms have been installed and are working. The expansion of the mills is likely to help in reducing overhead costs. It is also hoped that a larger variety of products will be produced and help in achieving profitability.

It is hoped that the Government will 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.

Acknowledgement

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

On behalf of the Board.

Haroon Shahzada Ellahi Shaikh
Director

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: April 17, 2023



ڈائریکٹرز کا جائزہ

ڈائریکٹرز 31 مارچ 2023 کو اختتام نوامی کے لئے کمپنی کی غیر نظر ثانی شدہ منجمد عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 31 مارچ 2022 کو ختم ہونے والی نوامی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے ٹینٹمنٹ آف فنانشل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2022 کو اختتام سال کے لئے ہیں۔

کمپنی کی کارکردگی

الحمد للہ، مشکل کاروباری ماحول کے باوجود، آپ کی کمپنی منافع بخش رہی اور ٹیکس کے بعد منافع 48,823,881 روپے یا فروخت 1.29 فیصد جبکہ گزشتہ سال کی اسی مدت کے دوران 86,243,896 روپے یا فروخت 2.86 فیصد بعد از ٹیکس منافع کمایا۔ زیر جائزہ سہ ماہی کے لئے فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے لئے 4.67 روپے کے مقابلے میں 2.64 روپے ہے۔

زیر جائزہ سہ ماہی کے لئے فروخت آمدنی گزشتہ سال کی اسی مدت سے 25.79 فیصد تک زیادہ ہوئی اور 3,017,360,182 روپے کے مقابلے میں 3,795,503,405 روپے ہوئی ہے۔ یہ اضافہ بنیادی طور پر قیمت میں اضافہ اور حجم میں اضافہ کی وجہ سے ہوا ہے۔ فروخت کی لاگت گزشتہ سال کی اسی مدت کے دوران فروخت کی 92.14 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کی 92.44 فیصد ہو گئی۔ فروخت کی لاگت میں اضافہ بنیادی طور پر توانائی، مزدوری اور اسٹور اینڈ سپلایز کی لاگت میں اضافہ کی وجہ سے ہوا ہے۔ فروخت کی لاگت میں اضافہ کے نتیجے میں مجموعی منافع (GP) گزشتہ سال کے اسی مدت کے دوران فروخت کے 7.86 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کے 7.56 فیصد تک ہو گیا۔

ڈسٹری بیوٹن لاگت گزشتہ سال کی اسی مدت میں فروخت کے 2.26 فیصد سے کم ہو کر زیر جائزہ مدت میں فروخت کے 2.52 فیصد تک ہو گئے۔ تاہم، انتظامی اخراجات گزشتہ سال کی اسی مدت میں فروخت کے 1.02 فیصد سے کم ہو کر زیر جائزہ مدت میں فروخت کے 0.96 فیصد تک ہو گئے۔

کمپنی مستحکم نقدی بہاؤ پیدا کرنے اور اپنے کاروباری واجبات کی بروقت ادائیگی کرنے میں کامیاب رہی۔ سہ ماہی کے دوران سود کی شرحیں تاریخی بلند سطحوں تک برہ گئیں۔ زیادہ بلند شرح سود نے بینک کے قرضوں کی قیمتوں کو ناقابل برداشت سطحوں تک بڑھا دیا۔ بینک دولت پاکستان (SBP) مشینری کی خریداری کے لئے LTFTF فنڈنگ کی اجازت نہیں دے رہا ہے۔ اس کے نتیجے میں، گزشتہ ایک سال یا زائد عرصہ سے ریٹائرڈ تمام درآمدی مشینری کو مارکیٹ بیڈ شرح سود کا سامنا ہے۔ ان تمام عناصر کے استخراج کے نتیجے میں مالی اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 0.73 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران 1.54 فیصد تک ہو گئے۔

فصل سال 2022-23 کیلئے پاکستان کاٹن جزز ایسوسی ایشن کی طرف سے جاری کردہ اعداد و شمار کے مطابق کپاس، (بیج کپاس) کی کم پر پیل 2023 تک جزیر میں کل آمد 4.912 بلین گانٹھیں ہیں جو کہ گزشتہ مالی سال 2021-22 کی اسی مدت میں 7.442 بلین گانٹھیں ہوئی جو کہ 33.10 فیصد کی کمی ظاہر کرتی ہیں۔

مستقبل کا نقطہ نظر

مصنوعات کے منافع مارجن دونوں ملکی اور بین الاقوامی منڈیوں میں دباؤ میں ہیں۔ گاہک تیار سامان کی طلب میں کمی کی شکایت کر رہے ہیں جس سے فیبرک کی قیمتوں پر دباؤ پڑا ہے۔ بڑی معیشتوں کے مرکزی بینکوں کی طرف سے مالیاتی سختی کی وجہ سے بین الاقوامی کساد بازاری کا امکان ہے۔ یہاں تک کہ بڑے بین الاقوامی بینک بھی مشکل وقت سے گزر رہے ہیں اور چند بینک دیوالیہ ہونے کی زد میں ہیں۔ اس منفی ماحول کی وجہ سے عالمی منڈیوں میں ٹیکسٹائل کی طلب میں بھی کمی آئی ہے۔

حکومت نے یکم مارچ 2023ء سے بجلی کے رعایتی نرخ ختم کر دیے ہیں۔ اس نے ٹیکسٹائل سیکٹور کو بین الاقوامی سطح پر بہت زیادہ لاگت پر مجبور کر دیا ہے۔ اس لیے، سیکٹر کو کم طلب اور مصنوعات کی زیادہ لاگت کے دو ہرے دباؤ کا سامنا ہے۔



PROSPERITY WEAVING MILLS LTD.

حکومت آئی ایم ایف سے معاہدے کو حتمی شکل دینے کے لیے کوشاں ہے، لیکن IMF پروگرام میں تاخیر PKR/USD برابری پر مزید منفی قیاس آرائیوں کا باعث بن رہی ہے۔ معاہدہ ہونے کے بعد، ہم آئی ایم ایف کے اہداف کو پورا کرنے کے لیے توانائی کی قیمتوں، شرح سود، ٹیکسوں اور دیگر اخراجات میں مزید اضافے کی پیش گوئی کرتے ہیں۔ رواں مالی سال کی آخری سہ ماہی مالی نقصانات کے امکان کے ساتھ اور بھی زیادہ مشکل دکھائی دیتی ہے۔

اسٹیٹ بینک آف پاکستان (SBP) کی 21 فیصد پالیسی شرح ٹیکسٹائل کی طلب کو نمایاں طور پر متاثر اور کمپنی کے مالی اخراجات میں بھی اضافہ کر رہی ہے۔ ہم امید کرتے ہیں کہ یہ شرح سود میں آخری اضافہ ہے۔ کمپنی توسیع/بی ایم آر پروگرام سے گزر رہی ہے۔ اس مقصد کے لیے، کمپنی نے LTFE فنڈنگ کی بنیاد پر بینکوں سے فنڈنگ کے انتظامات حاصل کیے ہیں۔ تاہم، SBP قرض خواہان کو LTFE فنڈنگ کی اجازت نہیں دے رہا ہے۔ اس نے کمپنی کو مارکیٹ پر مبنی بہت زیادہ سود کی لاگت پر مجبور کیا ہے۔


آپ کی کمپنی موجودہ کاروباری چیلنجوں سے آگاہ ہے اور صارفین کے مطالبات کو پورا کرنے، اختراع، کارکردگی، اور موثر لاگت کے انتظام کے ذریعے پیداواری صلاحیت کو بڑھانے کے لیے اپنے نقطہ نظر کا مسلسل جائزہ لے رہی ہے۔ ہم یہ بتاتے ہوئے خوشی محسوس کرتے ہیں کہ 48 نئی لومز نصب کی گئیں اور کام کر رہی ہیں۔ ملز کی توسیع سے اور ہبیز لاگت کی کمی میں مدد ملنے کا امکان ہے۔ یہ بھی امید ہے کہ مصنوعات کی بڑی ورائٹی پیدا کی جائے گی اور منافع حاصل کرنے میں مدد کرے گی۔


امید ہے کہ حکومت لاگت بچانے والے موثر انداز میں توانائی کی بلا قطل فراہمی، بقا یا سٹریٹجکس اور انکم ٹیکس کی واپسی، افراط زر کی شرح پر کنٹرول اور مالی اخراجات کی کمی جیسی کاروبار دوست پالیسیاں لائے گی۔ حکومتی پالیسیاں ٹیکسٹائل سیکٹر میں ویلیو چین کی سہولت کی حصول افزاء ہوتی چاہئیں تاکہ ملک تیار مصنوعات کو برآمد کر سکے۔

اظہار تشکر

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

منجانب بورڈ


رضا الہی شیخ
چیف ایگزیکٹو آفیسر


ہارون شہزادہ الہی شیخ
ڈائریکٹر
لاہور: 17 اپریل 2023ء



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	Un-Audited March 31, 2023	Audited June 30, 2022
	Note	.....Rupees.....
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 20,000,000 (June 30, 2022: 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	184,800,000	184,800,000
Reserves	1,730,438,891	1,728,278,632
Revaluation surplus on land	<u>102,840,634</u>	<u>102,840,634</u>
TOTAL EQUITY	2,018,079,525	2,015,919,266
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	4 <u>2,242,375,140</u>	<u>1,641,822,612</u>
Employees retirement benefits	181,817,044	162,405,974
Deferred taxation	123,924,669	123,924,669
	2,548,116,853	1,928,153,255
CURRENT LIABILITIES		
Trade and other payables	<u>800,194,413</u>	<u>803,781,613</u>
Accrued interest / mark-up	80,080,873	41,658,337
Short term borrowings	5 985,936,891	1,099,608,910
Current portion of long term finances	4 281,152,797	303,656,639
Unclaimed dividend	6,762,628	6,353,906
Provision for Taxation - net	13,538,680	26,385,426
Current portion of deferred grant	-	1,630,759
	<u>2,167,666,282</u>	<u>2,283,075,590</u>
TOTAL LIABILITIES	4,715,783,135	4,211,228,845
CONTINGENCIES AND COMMITMENTS		
	6	
TOTAL EQUITY AND LIABILITIES	6,733,862,659	6,227,148,111

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

Lahore: April 17, 2023


Haroon Shahzada Ellahi Shaikh
Director


Muhammad Tariq Sheikh
Chief Financial Officer



PROSPERITY WEAVING MILLS LTD.

		Un-Audited March 31, 2023	Audited June 30, 2022
	Note	.....Rupees.....	
ASSETS			
NON-CURRENT ASSETS			
Property plant & equipment	7	3,307,493,677	2,513,598,681
Long term deposits		15,039,000	15,039,000
		3,322,532,677	2,528,637,681
CURRENT ASSETS			
Stores, spare parts and loose tools		148,120,030	114,890,959
Stock-in-trade		1,382,854,525	1,827,168,351
Trade receivables		1,454,065,802	1,242,520,030
Advances		23,056,038	14,456,727
Short term prepayments		17,439,145	2,840,151
Other receivables		1,995,768	1,329,724
Sales tax refundable		173,481,834	254,617,345
Other financial assets	8	184,526,447	215,890,321
Cash and bank balances		25,790,393	24,796,822
		3,411,329,982	3,698,510,430
TOTAL ASSETS		6,733,862,659	6,227,148,111

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


Raza Ellahi Shaikh
 Chief Executive Officer



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		.....Rupees.....		.....Rupees.....	
Revenue from contracts with customers	9	10,938,914,570	8,933,674,657	3,795,503,405	3,017,360,182
Cost of sales	10	(10,138,059,833)	(8,044,402,828)	(3,508,415,457)	(2,780,086,083)
Gross profit		800,854,737	889,271,829	287,087,948	237,274,099
Distribution cost		(271,679,513)	(155,043,468)	(95,813,299)	(68,209,231)
Administrative expenses		(102,526,240)	(88,326,034)	(36,549,847)	(30,758,484)
Other operating expenses		(22,383,206)	(41,992,069)	(7,731,892)	(9,175,494)
		(396,588,959)	(285,361,571)	(140,095,038)	(108,143,209)
		404,265,778	603,910,258	146,992,910	129,130,890
Other income		16,127,289	33,904,643	6,445,491	14,956,152
Operating profit		420,393,067	637,814,901	153,438,401	144,087,042
Finance cost		(167,542,751)	(72,944,947)	(58,422,356)	(21,941,222)
Profit before taxation		252,850,316	564,869,954	95,016,045	122,145,820
Provision for taxation		(126,926,183)	(132,026,367)	(46,192,164)	(35,901,924)
Profit after taxation		125,924,133	432,843,587	48,823,881	86,243,896
Other comprehensive income					
Items that will not be reclassified subsequently to statement of profit or loss					
Fair value (loss)/gain on investment in equity instrument designated at FVTOCI		(31,363,874)	6,472,427	(5,741,157)	(2,044,418)
Total comprehensive income for the period		94,560,259	439,316,014	43,082,724	84,199,478
Earnings per share - basic and diluted		6.81	23.42	2.64	4.67

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

Haroon Shahzada Ellahi Shaikh
Director

Muhammad Tariq Sheikh
Chief Financial Officer

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: April 17, 2023



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Nine months ended	
	March 31, 2023	March 31, 2022
	.....Rupees.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	252,850,316	564,869,954
Adjustments for:		
Depreciation of property, plant and equipment	182,929,987	168,608,201
Provision for employee benefits	36,002,012	27,668,574
Gain on disposal of property, plant and equipment	(1,532,662)	(3,627,409)
Gain on sale of other Financial assets at FVTPL	(200,761)	(5,089,845)
Dividend income	(14,393,865)	(25,187,389)
Finance cost	167,542,751	72,944,947
Operating cash flow before working capital changes	623,197,778	800,187,033
Changes in working capital		
(Increase) / decrease in:		
Stores, spare parts and loose tools	(33,229,071)	(7,286,581)
Stock-in-trade	444,313,826	(505,480,752)
Trade receivables	(211,545,772)	(440,707,065)
Advances	(8,599,311)	(25,584,051)
Short-term prepayments	(14,598,994)	(2,574,359)
Other receivables	(666,044)	1,185,915
Sales tax refundable	81,135,511	(145,450,462)
	256,810,146	(1,125,897,355)
(decrease) / increase in Trade and other payables	(3,587,200)	242,024,138
Cash generated from operations	876,420,724	(83,686,184)
Employee benefits paid	(16,590,946)	(18,380,958)
Finance cost paid	(130,750,974)	(76,274,343)
Income taxes paid	(139,772,929)	(98,408,364)
Net cash generated / (used in) from operating activities	589,305,875	(276,749,849)



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Nine months ended	
	March 31, 2023	March 31, 2022
	.....Rupees.....	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(978,052,321)	(373,430,322)
Proceeds from disposal of property, plant and equipment	2,760,000	9,414,500
Purchase of other financial assets	(96,054,149)	(1,100,000,671)
Proceeds from sale of other financial assets	96,254,910	1,208,381,414
Dividend received	14,393,865	25,187,389
Net cash (used in) investing activities	(960,697,695)	(230,447,690)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	812,457,700	303,822,044
Repayment of long term finances	(234,409,014)	(262,287,382)
Short term borrowings excluding running finance and bank overdraft	(370,170,297)	373,430,639
Dividend paid	(91,991,278)	(46,043,605)
Net cash generated from financing activities	115,887,112	368,921,695
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(255,504,709)	(138,275,844)
Cash and cash equivalents at beginning of the period	(704,641,790)	4,927,531
Cash and cash equivalents at end of the period	(960,146,498)	(133,348,313)
Cash and cash equivalents		
Cash and bank balances	25,790,393	18,320,921
Running finance	(941,558,000)	(85,221,717)
Bank overdraft	(44,378,892)	(66,447,517)
	(960,146,498)	(133,348,313)

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

Haroon Shahzada Ellahi Shaikh
Director

Muhammad Tariq Sheikh
Chief Financial Officer

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: April 17, 2023



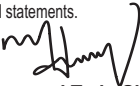
PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

Issued, Subscribed and paid up share capital	Capital reserves			Revenue Reserve	Total	
	Amalgamation reserve	Revaluation surplus on land	Fair value reserve	Unappropriated profit		
-----Rupees-----						
Balance as at June 30, 2021 - Audited	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	-	-	-	432,843,587	-	432,843,587
Other comprehensive income	-	-	6,472,427	-	-	6,472,427
Transfer of gain on disposal of equity investment at FVTOCI to unappropriated profit	-	-	(15,894,620)	15,894,620	-	-
Total comprehensive (loss)/income for the period	-	-	-	(9,422,193)	448,738,207	439,316,014
Balance as at March 31, 2022 - Un-audited						
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 as at March 31, 2022 - Un-audited	184,800,000	16,600,000	102,840,634	(40,159,605)	1,875,713,419	2,139,794,448
Comprehensive income						
Profit after taxation	-	-	-	(82,939,292)	-	(82,939,292)
Other comprehensive (loss) - net of tax	-	-	(39,896,110)	(1,039,780)	-	(40,935,890)
Total comprehensive (loss) for the period	-	-	-	(83,979,072)	(83,979,072)	(123,875,182)
Transactions with owners						
Interim dividend	-	-	-	-	-	-
Balance as at June 30, 2022 - Audited	184,800,000	16,600,000	102,840,634	(80,055,715)	1,791,734,347	2,015,919,266
Comprehensive income						
Profit after taxation	-	-	-	125,924,133	-	125,924,133
Other comprehensive (loss)	-	-	(31,363,874)	-	-	(31,363,874)
Transfer of gain on disposal of equity investment at FVTOCI to unappropriated profit	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	-	-	(31,363,874)	125,924,133	94,560,259
Transactions with owners						
Final dividend @ 50% i.e. Rs. 5 per share for the year ended June 30, 2022	-	-	-	-	(92,400,000)	(92,400,000)
Balance as at March 31, 2023 - Un-audited	184,800,000	16,600,000	102,840,634	(111,419,589)	1,825,258,480	2,018,079,525

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


Haroon Shahzada Ellahi Shaikh
Director


Muhammad Tariq Sheikh
Chief Financial Officer


Raza Ellahi Shaikh
Chief Executive Officer

Lahore: April 17, 2023



PROSPERITY WEAVING MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

1 LEGAL STATUS AND OPERATIONS

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

2 STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These condensed interim financial statements do not include all of the information required for the full financial statements and, therefore, these should be read in conjunction with annual audited financial statements for the year ended June 30, 2022. Comparative condensed statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2022, whereas comparative condensed statement of profit or loss and other comprehensive income, comparative condensed statement of changes in equity and comparative of statement of cash flows are stated from un-audited condensed interim financial statements for the nine months ended March 31, 2022.



PROSPERITY WEAVING MILLS LTD.

3 ACCOUNTING POLICIES AND ESTIMATES

The significant accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2022.

3.1 Financial risk management

The Company's financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2022.

3.2 Fair value of financial assets and liabilities

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

3.3 Estimates and judgements

Estimates and judgements made by management in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2022.

4 LONG TERM FINANCES

	Note	Un-Audited March 31, 2023	Audited June 30, 2022
-----Rupees-----			
From banking companies			
Opening balance		1,945,479,251	1,992,095,611
Obtained during the period / year		812,457,700	311,265,194
Repayments made during the period / year		(234,409,014)	(357,881,554)
		<u>2,523,527,937</u>	<u>1,945,479,251</u>
Less: Current portion shown under current liabilities		(281,152,797)	(303,656,639)
		<u>2,242,375,140</u>	<u>1,641,822,612</u>



PROSPERITY WEAVING MILLS LTD.

	Note	Un-Audited March 31, 2023	Audited June 30, 2022
-----Rupees-----			
5 SHORT TERM BORROWING			
From banking companies:			
Running finance - secured		941,558,000	709,058,853
Bank overdraft - unsecured		44,378,891	20,379,759
Foreign currency loans - secured		-	370,170,298
		<u>985,936,891</u>	<u>1,099,608,910</u>

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies as disclosed in note 14.1 & 14.2 of the audited financial statements for the year ended June 30, 2022.

	Note	Un-Audited March 31, 2023	Audited June 30, 2022
-----Rupees-----			

6.2 Commitments

Irrevocable letters of credit for:

Capital expenditures	-	728,855,142
Non-capital expenditures	47,718,993	310,675,634
	<u>47,718,993</u>	<u>1,039,530,776</u>

Short term lease:

Payable within one year	1,410,437	877,179
	<u>49,129,430</u>	<u>1,040,407,955</u>

7 PROPERTY PLANT & EQUIPMENT

Operating fixed assets - Owned	7.1	2,387,087,550	2,428,776,016
Capital work in progress		920,406,127	84,822,665
		<u>3,307,493,677</u>	<u>2,513,598,681</u>



PROSPERITY WEAVING MILLS LTD.

Note	Un-Audited March 31, 2023	Audited June 30, 2022
	-----Rupees-----	

7.1 Operating fixed assets - Owned

Opening written down value	2,428,776,016	2,246,300,367
Additions during the period / year		
Building on free hold land-factory	-	29,698,993
Plant and machinery	111,255,914	373,109,487
Electric installation	27,050,585	-
Furniture and fixtures	557,360	414,000
Office equipment	150,000	5,740,042
Vehicles	3,455,000	13,239,920
	142,468,859	422,202,442
Written down value of property, plant and equipment disposed off	(1,227,338)	(5,787,091)
Depreciation charged during the period / year	(182,929,987)	(233,939,702)
Written down value at end of the period / year	<u>2,387,087,550</u>	<u>2,428,776,016</u>

8 OTHER FINANCIAL ASSETS

Investments classified as FVTOCI

Equity investments	8.1	184,526,447	215,890,321
--------------------	-----	-------------	-------------

8.1 Reconciliation between fair value and cost of investments classified at FVTOCI

Fair value of investments			
-in listed equity securities		184,526,447	215,890,321
Unrealized loss on remeasurement of investments		(111,419,589)	(80,055,715)
Cost of investment		<u>295,946,036</u>	<u>295,946,036</u>



PROSPERITY WEAVING MILLS LTD.

	Nine Months Ended (Un-Audited)		Quarter Ended (Un-Audited)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	.....Rupees.....		.....Rupees.....	
9 Revenue from contracts with customer				
Export				
Cloth	4,405,916,686	2,651,520,768	1,715,913,041	1,128,384,264
Add: Export rebate	914,343	543,164	321,847	249,099
	4,406,831,029	2,652,063,932	1,716,234,888	1,128,633,363
Local				
Cloth	7,519,792,633	7,285,139,940	2,398,252,595	2,185,554,353
Yarn	362,937	840,060	-	278,460
Waste	132,685,278	63,323,456	45,287,352	23,854,596
	7,652,840,848	7,349,303,456	2,443,539,947	2,209,687,409
Less: Sales tax on sales	(1,120,757,307)	(1,067,692,731)	(364,271,431)	(320,960,591)
	6,532,083,541	6,281,610,725	2,079,268,517	1,888,726,819
Total	10,938,914,570	8,933,674,657	3,795,503,405	3,017,360,182
10 COST OF SALES				
Raw material consumed	8,058,258,866	7,136,907,500	2,475,910,212	2,660,558,406
Fuel and power	827,177,652	566,735,826	270,551,108	239,136,320
Salaries, wages and benefits	449,799,618	367,326,661	148,831,643	136,067,309
Stores and spares consumed	90,854,822	52,752,125	33,515,151	16,726,400
Sizing material consumed	171,471,933	133,785,198	57,225,462	48,754,880
Depreciation	174,529,264	159,965,015	60,094,453	53,900,038
Packing material consumed	35,378,055	33,609,805	13,413,423	11,644,420
Insurance	14,215,739	10,731,114	4,755,726	3,691,400
Repairs and maintenance	8,242,168	387,126	921,305	(568,559)
Electricity duty	5,900,716	42,548,491	2,374,780	42,548,491
Others	17,181,343	10,523,433	5,862,958	3,560,129
Manufacturing cost	9,853,010,176	8,515,272,294	3,073,456,219	3,216,019,234
Work-in-process:				
At beginning of period	214,220,851	112,850,341	239,097,814	162,690,957
At end of period	(222,929,086)	(207,717,455)	(222,929,086)	(207,717,455)
	(8,708,235)	(94,867,114)	16,168,728	(45,026,498)
Cost of goods manufactured	9,844,301,941	8,420,405,180	3,089,624,947	3,170,992,736
Finished stocks:				
At beginning of period	891,010,214	441,079,911	1,020,602,008	426,407,664
Cloth purchased	5,697,847	876,409	1,138,671	644,355
At end of period	(602,950,169)	(817,958,672)	(602,950,169)	(817,958,672)
	293,757,892	(376,002,352)	418,790,510	(390,906,653)
	10,138,059,833	8,044,402,828	3,508,415,457	2,780,086,083



PROSPERITY WEAVING MILLS LTD.

11 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors of the company and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. The consideration is determined on commercial terms and conditions. The transactions with related parties during the period generally consist of sales and purchases.

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

		Nine Months Ended (Un-Audited)	
		March 31, 2023	March 31, 2022
		.....Rupees.....	
Associated companies	Purchase of goods and services	5,504,820,198	3,535,214,706
	Sale of goods and services	152,779	96,312
	Dividend paid	27,896,415	13,948,208
Key management personnel	Remuneration and other benefits	40,428,272	36,781,864
	Dividend paid to directors and their close family members	53,047,815	26,523,907

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

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

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

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



PROSPERITY WEAVING MILLS LTD.

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

Financial assets - at fair value	March 31, 2023			Total
	Level 1	Level 2	Level 3	
	----- Rs -----			
-Equity investments designated at FVTOCI	184,526,447	-	-	184,526,447
As at March 31, 2023	184,526,447	-	-	184,526,447

Financial assets - at fair value	June 30, 2022			Total
	Level 1	Level 2	Level 3	
-Equity investments designated at FVTOCI	215,890,321	-	-	215,890,321
As at June 30, 2022	215,890,321	-	-	215,890,321

At March 31, 2023 the company holds short term investments where the company has used Level 1 inputs for the measurement of fair values and there is no transfer between levels.

13 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Nine Months Ended (Un-Audited)		
	June 30, 2022	Net Cash flow	March 31, 2023
	.....Rupees.....		
Long term finances	1,945,479,251	578,048,686	2,523,527,937
Short term borrowings	1,099,608,910	(113,672,020)	985,936,891
	3,045,088,161	464,376,667	3,509,464,828

14 CORRESPONDING FIGURES

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



PROSPERITY WEAVING MILLS LTD.

14.2 Figures have been rounded off to the nearest rupee.

15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements (un-audited) have been approved by the board of directors of the Company and authorized for issue on April 17, 2023.

Haroon Shahzada Ellahi Shaikh
Director

Muhammad Tariq Sheikh
Chief Financial Officer

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: April 17, 2023



PROSPERITY WEAVING MILLS LTD.

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PROSPERITY WEAVING MILLS LTD.

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