

**HALF YEARLY REPORT
FOR THE PERIOD ENDED
DECEMBER 31, 2024
(Un-Audited)**



PROSPERITY WEAVING MILLS LTD.



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PROSPERITY WEAVING MILLS LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

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

MANAGING DIRECTOR (Chief Executive) Mr. Raza Ellahi Shaikh

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

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

EXECUTIVE COMMITTEE

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

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Tariq Sheikh

HEAD OF INTERNAL AUDIT

Mr. Farjad Ashfaq

AUDITORS

Messrs Yousuf Adil.
Chartered Accountants

CORPORATE ADVISORS

Bandial & Associates

LEAD BANKERS

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

REGISTERED OFFICE

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

REGIONAL OFFICE

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

WEB REFERENCE

www.nagina.com

SHARES REGISTRAR

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

MILLS

13.5 K.M
Sheikhupura Sharaqpur Road, Sheikhupura



PROSPERITY WEAVING MILLS LTD.

DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim financial information of the company for the half year ended on December 31, 2024 duly reviewed by the auditors. The comparative figures for the corresponding half year ended on December 31, 2023 are included for comparison, except in statement of financial position where figures are for the year ended on June 30, 2024.

Company Performance

Despite the continued pressure on textile sector, particularly the weaving sector, your company has remained profitable. The Company has reported an after-tax profit of Rs. 49,656,000, an increase from Rs. 26,575,077 in the same period last year (SPLY). Earning per share (EPS) for the half year is Rs. 2.69 compared to Rs. 1.44 for the SPLY.

Sales revenue for the quarter under review increased by 6.58% over the SPLY and stood at Rs. 9,662,536,259 compared to Rs. 9,065,813,741. The increase is mainly due to rise in per unit price as well as increase in the quantity sold. Cost of sales slightly increased from 93.11% of sales during SPLY to 93.40% of sales during the period under review. The increase in cost of sales is mainly due to rise in power costs, salaries and wages and store & spare consumed. Increase in cost of sales resulted in lower Gross Profit (GP) from 6.89% of sales during SPLY to 6.60% of sales during the period under review.

Overall operating expenses increased from 3.15% of sales during SPLY to 3.31% of sales during the period under review. The company successfully maintained stable cash flows, allowing for timely settlement of its operating liabilities. Due to better cash flows and reduction in policy rate, finance cost reduced to 1.58% of sales from 2.62% of sales in the SPLY.

Future Outlook

The textile industry is facing considerable challenges amid global and domestic market slowdowns. Rising costs and slow demand from value-added sectors are putting pressure on profit margins. Additionally, cotton supply constraints may drive further increases in yarn prices. The government has announced increase in the gas prices for both domestic and RLNG supplies. The outlook for the third quarter of FY25 remains uncertain.

However, the management is proactively implementing cost-saving measures, strategic marketing initiatives, and product diversification to strengthen the company's resilience. We hope that with these measures, your company would remain reasonably profitable for the next half year.

The government has reported a lower inflation rate, which is expected to support the State Bank of Pakistan (SBP) in continuing its monetary easing strategy. During the half-year under review, SBP has already reduced the policy rate by 8.5% (from 20.5% to 12%). We hope for further reduction in the coming months.

SBP's prudent policies have effectively managed the country's current account, resulting in a surplus—a commendable achievement. Additionally, consistent growth in home remittances and exports has strengthened the external account, contributing to the stability of the Rupee against the US dollar.



PROSPERITY WEAVING MILLS LTD.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2024-25, Kapas, (seed cotton) arrivals upto January 31, 2025, at the Ginneries totaled 5.511 million bales compared to 8.350 million bales for similar period of financial year 2023-24 showing decrease in arrival of 34%.

The company is adding another 2 MW in its solar capacity. With this addition, the total solar capacity will rise to 3.7 MW. This will help in lowering the energy cost and increase green energy foot print of the Company.

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

A handwritten signature in black ink, appearing to read "Haroon".

Haroon Shahzada Ellahi Shaikh
Director

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

Raza Ellahi Shaikh
Chief Executive Officer

Lahore: February 26, 2025



ڈائریکٹرز کی جائزہ رپورٹ

مجلسِ نظاماً 31 دسمبر 2024ء کو تختہ پہلی ششماہی کے لئے کمپنی کی غیر نظر ثانی شدہ محمد عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہی ہے۔ 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے سٹیٹمنٹ آف فنانشل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2024ء کو تختہ سال کے لئے ہیں۔

کمپنی کی کارکردگی

ٹیکسٹائل سیکٹر، بالخصوص ویوٹیکسٹائل پر مسلسل دباؤ کے باوجود، آپ کی کمپنی منافع بخش رہی ہے۔ کمپنی نے گزشتہ سال کی اسی مدت کے دوران میں 26,575,077 روپے کے مقابلے میں زیر جائزہ سہ ماہی کے دوران 49,656,000 روپے بعد از ٹیکس منافع کمایا۔ رواں پہلی ششماہی کی فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے دوران 1.44 روپے کے مقابلے میں 2.69 روپے ہے۔

زیر جائزہ سہ ماہی میں فروخت آمدنی گزشتہ سال کی اسی مدت کے دوران سے 6.58 فیصد تک زیادہ ہوئی اور گزشتہ سال کی اسی مدت کے دوران 9,065,813,741 روپے کے مقابلے میں 9,662,536,259 روپے رہی۔ فروخت آمدنی میں اضافہ بنیادی طور پر پی ٹی پی زیادہ قیمت اور فروخت شدہ مقدار میں اضافہ کی وجہ سے ہوا ہے۔ فروخت کی لاگت گزشتہ سال کی اسی مدت کے دوران فروخت کے 93.11 فیصد سے معمولی بڑھ کر زیر جائزہ مدت کے دوران فروخت کے 93.40 فیصد تک زیادہ ہوئی ہے۔ فروخت کی لاگت میں اضافہ بنیادی طور پر توانائی، تنخواہیں اور اڑتیں اور صرف شدہ سٹور اینڈ پستیر بڑھنے کی وجہ سے ہوا ہے۔ فروخت کی لاگت میں اضافہ کے نتیجے میں مجموعی منافع (GP) گزشتہ سال کی اسی مدت کے دوران فروخت کے 6.89 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کا 6.60 فیصد ہوا۔

مجموعی آپریٹنگ اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 3.15 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کے 3.31 فیصد تک ہو گئے۔ کمپنی مستحکم نقد بہاؤ پیدا کرنے اور اپنی آپریٹنگ ذمہ داریاں بروقت ادا کرنے کے قابل رہی ہے۔ بہتر نقد بہاؤ اور پالیسی شرح میں کمی کی وجہ سے مالی لاگت گزشتہ سال SPLY کے دوران فروخت کے 2.62 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کے 1.58 فیصد تک ہو گئی۔

مستقبل کا نقطہ نظر

ٹیکسٹائل انڈسٹری کو عالمی اور ملکی مارکیٹ کی سست روی کے درمیان کافی مشکلات کا سامنا ہے۔ زیادہ لاگت اور ویلیو ایڈڈ شعبوں کی سست طلب منافع کے مارجن کو متاثر کر رہی ہے۔ مزید برآں، کمپاس کی فراہمی کی رکاوٹیں یارن کی قیمتوں میں مزید اضافے کا سبب بن سکتی ہیں۔ حکومت نے دونوں ڈومیسٹک اور آریبل این جی سپلائی کے لئے ٹیکس کی قیمتیں بڑھانے کا اعلان کیا ہے۔ مالی سال 25 کی تیسری سہ ماہی کا نقطہ نظر غیر یقینی ہے۔

تاہم، انتظامیہ کمپنی کی چلک کو مستحکم بنانے کے لئے لاگت بچانے کے اقدامات، اسٹریٹجک مارکیٹنگ اقدامات، اور مصنوعات کے تنوع کو فعال طور پر لاگو کر رہی ہے۔ ہم اُمید کرتے ہیں کہ ان اقدامات کے ساتھ، آپ کی کمپنی اگلی ششماہی کے لئے موزوں منافع بخش رہے گی۔

حکومت نے افراط زر کی شرح کم ہونے کی اطلاع دی ہے، جس سے توقع ہے کہ اسٹیٹ بینک آف پاکستان (ایس بی پی) کو مالیاتی نرمی کی حکمت عملی کو جاری رکھنے میں مدد ملے گی۔ زیر جائزہ ششماہی کے دوران اسٹیٹ بینک پہلے ہی پالیسی ریٹ میں 8.5 فیصد (20.5 فیصد سے 12 فیصد) کمی کر چکا ہے۔ ہمیں اُمید ہے کہ آئندہ مہینوں میں اس میں مزید کمی آئے گی۔



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اسٹیٹ بینک کی دانشمندانہ پالیسیوں نے ملک کے کرنٹ اکاؤنٹ کو موثر طریقے سے منظم کیا ہے، جس کے نتیجے میں سرپلس حاصل ہوا جو ایک قابل ستائش کامیابی ہے۔ مزید برآں ملکی ترسیلات زراور برآمدات میں مسلسل اضافے سے بیرونی کھاتے مضبوط ہوئے جس سے امریکی ڈالر کے مقابلے میں روپیہ کے استحکام میں مدد ملی ہے۔

پاکستان کاٹن جززیبوسی ایشین کی طرف سے فصل سال 2024-25 کے لئے جاری کردہ اعداد و شمار کے مطابق 31 جنوری 2025 تک جزیزہ میں کپاس، (پنچ کپاس) کی پنچ مالی سال 2023-24 کی اسی مدت کے دوران 8.350 ملین گانٹھوں کے مقابلے 5.511 ملین گانٹھیں ہوئی جو کہ 34 فیصد کی کمی ظاہر کر رہی ہے۔

کمپنی اپنی سٹشی صلاحیت میں مزید 2 میگاواٹ کا اضافہ کر رہی ہے۔ اس اضافے سے سٹشی توانائی کی مجموعی صلاحیت 3.7 میگاواٹ تک پنچ جائے گی۔ اس سے توانائی کی لاگت کو کم کرنے اور کمپنی کے گرین انرجی فٹ پرنٹ میں اضافہ کرنے میں مدد ملے گی۔

اُمید ہے کہ حکومت سستی توانائی کی بلا تعطل فراہمی، واجب الادا ٹیکسوں کی واپسی، افراط زر کی شرح پر قابو پانے اور مالی اخراجات میں کمی جیسی کاروبار دوست پالیسیاں لائے گی۔ حکومتی پالیسیوں میں ٹیکسٹائل سیکٹر میں ویلیو چین کی تکمیل کی حوصلہ افزائی ہونا چاہئے تاکہ ملک تیار مصنوعات برآمد کر سکے۔

اظہار تشکر

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

منجانب بورڈ

محمد علی
رضا الہی شیخ
چیف ایگزیکٹو آفیسر

ہارون شہزادہ الہی شیخ
ڈائریکٹر

لاہور: 26 فروری 2025ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Prosperity Weaving Mills Limited

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Prosperity Weaving Mills Limited** (the Company) as at December 31, 2024, the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the half year then ended (here-in after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim statement of profit or loss and other comprehensive income for the three month period ended December 31, 2024 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

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


Chartered Accountants

Lahore
Date: February 28, 2025
UDIN: RR20241018039KwmJARc



PROSPERITY WEAVING MILLS LTD.

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

	Un-Audited December 31, 2024	Audited June 30, 2024
Note	Rupees	Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 40,000,000 (June 30, 2024: 40,000,000) ordinary shares of Rs. 10 each	<u>400,000,000</u>	400,000,000
Issued, subscribed and paid up capital	184,800,000	184,800,000
Reserves	1,964,451,890	1,936,439,332
Revaluation surplus on land	<u>207,888,634</u>	207,888,634
TOTAL EQUITY	2,357,140,524	2,329,127,966
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	4 <u>1,496,580,112</u>	1,708,750,717
Employee retirement benefits	<u>272,666,117</u>	254,906,107
	1,769,246,229	1,963,656,824
CURRENT LIABILITIES		
Trade and other payables	<u>864,881,933</u>	1,078,727,126
Accrued interest / mark-up	56,644,040	73,689,888
Short term borrowings	5 <u>758,236,294</u>	1,024,049,845
Current portion of long term finances	442,915,821	434,428,753
Provision for taxation and levies	181,633,834	281,151,163
Unclaimed dividend	<u>7,318,044</u>	7,102,793
	2,311,629,966	2,899,149,568
TOTAL LIABILITIES	4,080,876,195	4,862,806,392
CONTINGENCIES AND COMMITMENTS	6	
TOTAL EQUITY AND LIABILITIES	6,438,016,719	7,191,934,358

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

Lahore: February 26, 2025


Raza Ellahi Shaikh
Chief Executive Officer


Muhammad Tariq Sheikh
Chief Financial Officer



PROSPERITY WEAVING MILLS LTD.

	Un-Audited December 31, 2024	Audited June 30, 2024	
	Note	Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,067,152,976	3,181,136,158
Long term deposits		15,039,000	15,039,000
		3,082,191,976	3,196,175,158
CURRENT ASSETS			
Stores, spare parts and loose tools		109,501,818	98,293,165
Stock-in-trade		1,517,059,079	1,772,229,542
Trade receivables		1,234,206,294	1,580,341,094
Advances		38,170,025	28,299,804
Short term prepayments		20,432,897	4,420,779
Other receivables		1,308,088	1,879,792
Sales tax refundable		59,581,190	49,299,150
Other financial assets	8	98,747,976	73,515,294
Prepaid levies		-	62,354,121
Advance income tax		144,023,248	151,159,347
Cash and bank balances		132,794,128	173,967,113
		3,355,824,743	3,995,759,200
TOTAL ASSETS		6,438,016,719	7,191,934,358

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

Haroon Shahzada Ellahi Shaikh
Director



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Note	Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers	9 9,662,536,259	9,065,813,741	4,548,297,062	4,615,960,346
Cost of sales	10 (9,025,064,169)	(8,441,192,354)	(4,248,869,173)	(4,307,641,762)
Gross profit	637,472,090	624,621,387	299,427,889	308,318,584
Distribution cost	(223,214,909)	(191,374,420)	(100,707,555)	(97,724,043)
Administrative expenses	(83,108,095)	(79,456,336)	(41,178,397)	(39,381,270)
Other operating expenses	(13,592,261)	(14,550,502)	(7,316,870)	(9,815,905)
	(319,915,265)	(285,381,258)	(149,202,822)	(146,921,218)
Operating profit	317,556,825	339,240,129	150,225,067	161,397,366
Other income	17,211,875	25,774,136	14,854,970	11,598,821
Finance cost	(153,134,199)	(237,707,692)	(67,435,252)	(109,581,259)
Profit before income tax, minimum tax differential and final tax	181,634,501	127,306,573	97,644,785	63,414,928
Minimum tax differential	(61,578,266)	(42,537,349)	(1,351,557)	(6,503,501)
Final tax	-	(30,509,385)	-	(15,562,438)
Profit before income tax	120,056,235	54,259,839	96,293,228	41,348,989
Provision for taxation	(70,400,235)	(27,684,762)	(66,871,067)	(24,919,382)
Profit after taxation	49,656,000	26,575,077	29,422,162	16,429,607
Other comprehensive income: Items that will not be reclassified subsequently to statement of profit or loss				
Fair value gain on investment in equity instrument designated at FVTOCI	24,556,558	111,432,416	25,771,766	82,171,164
Total comprehensive income for the period	74,212,558	138,007,493	55,193,928	98,600,771
Earnings per share - basic and diluted	2.69	1.44	1.60	0.89

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

Raza Ellahi Shaikh
Chief Executive Officer

Muhammad Tariq Sheikh
Chief Financial Officer

Haroon Shahzada Ellahi Shaikh
Director

Lahore: February 26, 2025



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended	
	December 31, 2024	December 31, 2023
	..... Rupees	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	120,056,235	54,259,839
Adjustments for:		
Depreciation of property, plant and equipment	150,930,671	164,938,194
Provision for employee benefits	44,572,548	39,449,964
Gain on disposal of property, plant and equipment	(1,453,819)	(1,280,661)
Minimum Tax differential and final Tax	61,578,266	73,046,734
Gain on sale of other financial assets	(11,046,157)	(6,980)
Dividend income	(4,685,792)	(24,486,497)
Interest (Income)/Loss	(26,106)	-
Finance cost	153,134,199	237,707,692
Operating cash flow before working capital changes	513,060,045	543,628,285
Changes in working capital		
(Increase) / decrease in:		
Stores, spare parts and loose tools	(11,208,653)	(79,672,814)
Stock-in-trade	255,170,463	(208,761,000)
Trade receivables	346,134,800	(9,105,616)
Advances	(9,870,221)	(14,926,113)
Short-term prepayments	(16,012,118)	(13,696,308)
Other receivables	571,704	(4,580,585)
Sales tax refundable	(10,282,040)	138,078,325
	554,503,935	(192,664,111)
(Decrease) / Increase in:		
Trade and other payables	(213,845,193)	22,116,110
Cash generated from operations	853,718,787	373,080,284
Employee benefits paid	(26,812,538)	(12,964,952)
Finance cost paid	(170,180,048)	(249,804,103)
Income taxes paid	(162,005,608)	(93,758,703)
Net cash generated from operating activities	494,720,593	16,552,525



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended	
	December 31, 2024	December 31, 2023
	..... Rupees	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,674,531)	(17,577,440)
Proceeds from disposal of property, plant and equipment	2,180,860	2,705,000
Purchase of other financial assets	(1,240,889,508)	(35,394,575)
Proceeds from other financial assets	1,251,259,540	38,628,684
Dividend received	4,685,792	24,486,497
Interest Received	26,106	-
Net cash (used in) / generated from investing activities	(20,411,741)	12,848,166
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	10,299,150	-
Repayment of long term finances	(213,982,687)	(138,495,248)
Short term borrowings excluding running finance and bank overdraft	138,145,178	1,263,491,904
Dividend paid	(45,984,749)	(55,096,986)
Net cash (used) / generated from financing activities	(111,523,108)	1,069,899,670
Net increase in cash and cash equivalents	362,785,744	1,099,300,361
Cash and cash equivalents at beginning of the period	(369,788,916)	(1,028,594,918)
Cash and cash equivalents at end of the period	(7,003,172)	70,705,443
CASH AND CASH EQUIVALENTS		
Cash and bank balances	132,794,128	134,101,604
Running finance	(121,488,825)	(712,355)
Bank overdraft	(18,308,475)	(62,683,806)
	(7,003,172)	70,705,443

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

Raza Ellahi Shaikh
Chief Executive Officer

Muhammad Tariq Sheikh
Chief Financial Officer

Haroon Shahzada Ellahi Shaikh
Director

Lahore: February 26, 2025



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Issued, subscribed and paid up capital	Capital reserve			Revenue reserve	Total
		Amalgamation reserve	Revaluation surplus on land	Fair value reserve	Unappropriated profit	
Rupees						
Balance as at June 30, 2023 - (Audited)	184,800,000	16,600,000	102,840,634	(105,934,165)	1,835,229,238	2,033,535,707
Total comprehensive income for the period:						
Profit for the period	-	-	-	-	26,575,077	26,575,077
Other comprehensive loss net of tax	-	-	-	111,432,416	-	111,432,416
Total comprehensive income for the period	-	-	-	111,432,416	26,575,077	138,007,493
Transfer of gain on disposal of equity investments at FVTOCI to unappropriated profit	-	-	-	(4,135,655)	4,135,655	-
Transactions with owners						
Final Dividend @ 30% i.e. Rs. 3 per Ordinary share	-	-	-	-	(55,440,000)	(55,440,000)
Balance as at December 31, 2023 - (Un-Audited)	184,800,000	16,600,000	102,840,634	1,362,596	1,810,499,970	2,116,103,200
Total comprehensive income for the period:						
Profit for the period	-	-	-	-	60,079,724	60,079,724
Other comprehensive income	-	-	105,048,000	45,340,855	2,556,187	152,945,042
Total comprehensive income for the period	-	-	105,048,000	45,340,855	62,635,911	213,024,766
Transfer of gain on disposal of equity investments at FVTOCI to unappropriated profit	-	-	-	(45,762,301)	45,762,301	-
Balance as at June 30, 2024 - (Audited)	184,800,000	16,600,000	207,888,634	941,150	1,918,898,182	2,329,127,966
Total comprehensive income for the period:						
Profit for the period	-	-	-	-	49,656,000	49,656,000
Other comprehensive income	-	-	-	24,556,558	-	24,556,558
Total comprehensive income for the period	-	-	-	24,556,558	49,656,000	74,212,558
Transactions with owners:						
Final Dividend @ 25% i.e. Rs. 2.5 per Ordinary share	-	-	-	-	(46,200,000)	(46,200,000)
Balance as at December 31, 2024 - (Un-Audited)	184,800,000	16,600,000	207,888,634	25,497,708	1,922,354,182	2,357,140,524

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

Raza Ellahi Shaikh
Chief Executive Officer

Muhammad Tariq Sheikh
Chief Financial Officer

Haroon Shahzada Ellahi Shaikh
Director

Lahore: February 26, 2025



PROSPERITY WEAVING MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND OPERATIONS

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

2 STATEMENT OF COMPLIANCE

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

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

- 2.2 These condensed interim financial statements do not include all of the information required for the full financial statements and, therefore, these should be read in conjunction with annual audited financial statements for the year ended June 30, 2024. Comparative condensed statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2024, whereas comparative condensed statement of profit or loss and other comprehensive income, comparative condensed statement of changes in equity and comparative of statement of cash flows are stated from un-audited condensed interim financial statements for the half year ended December 31, 2023.
- 2.3 The condensed interim financial statements are un-audited. However, a limited scope review has been performed by statutory auditor of the Company in accordance with Code of Corporate Governance and they have issued their review report thereon.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any significant effects on the company's operations and are, therefore, not detailed in these condensed interim financial statements.



PROSPERITY WEAVING MILLS LTD.

3.1 Financial risk management

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

3.2 Fair value of financial assets and liabilities

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

3.3 Estimates and judgements

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

Note	Un-Audited December 31, 2024	Audited June 30, 2024
	..... Rupees	

4 LONG TERM FINANCES

From banking companies

Opening balance	2,143,179,470	2,454,280,312
Obtained during the period / year	10,299,150	31,810,500
Repayments made during the period / year	(213,982,687)	(342,911,342)
	<u>1,939,495,933</u>	<u>2,143,179,470</u>
Less: Current portion shown under current liabilities	(442,915,821)	(434,428,753)
	<u>1,496,580,112</u>	<u>1,708,750,717</u>

5 SHORT TERM BORROWINGS

From banking companies:

Running finance - secured	5.1	121,488,825	480,625,237
Foreign currency loans - secured	5.1	618,438,994	480,293,816
Bank overdraft - unsecured		18,308,475	63,130,792
		<u>758,236,294</u>	<u>1,024,049,845</u>

- 5.1 The aggregate un-availed short term borrowing facilities amount to Rs. 5,797 million (June 30, 2024: Rs. 4,276 million). Short term borrowings are secured against ranking charge of Rs.5,159 million (June 30, 2024: Rs. 2,825 million) and joint pari passu charge of Rs. 4,416 million (June 30, 2024: Rs. 4,416 million) on all present and future current assets of the Company.

These facilities have been obtained from various commercial banks for working capital requirements; carrying mark-up ranging from 4.38% to 20.72% per annum. These facilities expire on various dates by December 31, 2025.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies as disclosed in note 12.1 and 12.2 to the financial statements for the year ended June 30, 2024.



PROSPERITY WEAVING MILLS LTD.

		Un-Audited December 31, 2024	Audited June 30, 2024
6.2	Commitments		
		..... Rupees	
	Irrevocable letters of credit for:		
	Non-capital expenditures	499,097,704	273,558,807
	Short term lease - payable within one year	73,815	998,376
		<u>499,171,519</u>	<u>274,557,183</u>
7	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	3,060,209,430	3,143,679,480
	Capital work in progress	6,943,546	37,456,678
		<u>3,067,152,976</u>	<u>3,181,136,158</u>
7.1	Operating fixed assets		
	Opening written down value	3,143,679,480	3,345,297,817
	Revaluation surplus on freehold land	-	105,048,000
	Additions during the period / year:		
	Building-on free hold land - factory	-	6,527,175
	Plant and machinery	46,643,727	-
	Electric installation	270,000	-
	Factory equipment	-	2,201,200
	Furniture and fixtures	650,000	1,202,000
	Office equipment	1,249,740	714,000
	Vehicles	19,180,195	14,892,200
	Arms and ammunition	194,000	-
		68,187,662	25,536,575
	Written down value of property, plant and equipment disposed off	(727,041)	(1,446,057)
	Depreciation charged during the period / year	(150,930,671)	(330,756,856)
	Written down value at end of the period / year	<u>3,060,209,430</u>	<u>3,143,679,480</u>
		..... Rupees	
7.2	Capital Work In Progress		
	As at July 01	37,456,678	-
	Additions during the year	37,674,530	58,876,054
	Transfer to property, plant and equipment	(68,187,662)	(21,419,375)
	As at December 31	<u>6,943,546</u>	<u>37,456,678</u>
8	OTHER FINANCIAL ASSETS		
	Investments classified as FVTOCI		
	Equity investments	97,919,276	73,362,718
	Investments classified as FVTPL		
	Mutual funds	-	152,576
	At amortized cost		
	Term deposits	828,700	-
		<u>98,747,976</u>	<u>73,515,294</u>
8.1	Reconciliation between fair value and cost of investments classified at FVTOCI		
	Cost of investment	72,421,578	72,421,578
	Unrealized (gain) / loss on remeasurement of investments	25,497,698	941,140
	Fair value of investments	<u>97,919,276</u>	<u>73,362,718</u>



PROSPERITY WEAVING MILLS LTD.

	Half Year Ended (Un-Audited)		Quarter Ended (Un-Audited)	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	..... Rupees .....		..... Rupees	
9 REVENUE FROM CONTRACTS WITH CUSTOMERS				
Export				
Cloth	3,647,092,743	2,823,847,997	1,588,855,049	1,256,952,216
Add: Export rebate	-	360,203	-	110,430
	3,647,092,743	2,824,208,200	1,588,855,049	1,257,062,646
Local				
Cloth	6,895,526,665	7,220,395,614	3,432,257,866	3,876,976,111
Yarn	105,846,000	10,721,480	26,904,000	10,721,480
Waste	96,839,632	129,636,939	32,979,710	66,771,201
	7,098,212,297	7,360,754,033	3,492,141,576	3,954,468,792
Less: Sales tax on sales	(1,082,768,781)	(1,119,148,491)	(532,699,562)	(595,571,091)
	6,015,443,516	6,241,605,542	2,959,442,013	3,358,897,701
Total	9,662,536,259	9,065,813,741	4,548,297,062	4,615,960,346
10 COST OF SALES				
Raw material consumed	6,731,095,747	6,837,849,071	3,116,966,564	3,370,603,149
Fuel and power	1,012,557,750	763,257,700	447,062,710	384,343,027
Salaries, wages and benefits	466,034,115	383,140,382	242,612,431	208,795,398
Stores and spares consumed	120,005,337	60,033,106	48,776,795	26,207,438
Sizing material consumed	142,921,561	146,682,026	69,004,215	73,751,564
Packing material consumed	28,705,863	34,563,218	12,287,215	17,713,194
Depreciation	145,508,238	159,543,982	73,141,442	79,790,335
Insurance	13,162,041	13,143,931	6,628,020	6,615,352
Repairs and maintenance	7,045,851	5,156,197	2,306,298	2,181,852
Vehicles running and maintenance	7,287,888	7,532,699	3,345,593	3,665,050
Traveling and conveyance	576,071	523,829	284,826	296,835
Lease rentals-land	221,448	221,448	110,724	110,724
Fee and subscription	550,500	1,215,880	62,500	904,880
Electricity duty	4,651,627	9,191,928	-	4,749,475
Others	4,122,930	5,361,894	2,252,377	2,774,553
	8,684,446,967	8,427,417,291	4,024,841,710	4,182,502,826
Work-in-process:				
At beginning of period	254,217,864	152,180,194	325,105,948	238,553,188
At end of period	(197,219,279)	(267,394,868)	(197,219,279)	(267,394,868)
	56,998,585	(115,214,674)	127,886,669	(28,841,680)
Cost of goods manufactured	8,741,445,552	8,312,202,617	4,152,728,379	4,153,661,146



PROSPERITY WEAVING MILLS LTD.

Half Year Ended (Un-Audited)		Quarter Ended (Un-Audited)		
December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	
..... Rupees .....		..... Rupees		
Finished stocks:				
At beginning of period	849,739,338	947,743,542	674,235,700	998,163,637
Cloth purchased / Processing charges	15,447,021	101,913,204	3,472,836	76,483,988
At end of period	(581,567,742)	(920,667,009)	(581,567,742)	(920,667,009)
	283,618,617	128,989,737	96,140,794	153,980,616
	9,025,064,169	8,441,192,354	4,248,869,173	4,307,641,762

11 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors of the company and key management personnel. The Company in the normal course of business enters into transactions with various related parties. The transactions with related parties during the period generally consist of sales and purchases.

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

		Half Year Ended (Un-Audited)	
		December 31, 2024	December 31, 2023
		..... Rupees	
Nature of Relationship	Nature of Transaction		
Associated companies	Purchase of goods and services	4,107,301,585	4,966,835,836
	Sale of goods and services and stores	164,794	-
	Dividend paid	13,948,208	16,737,849
	Rent Expense	703,116	669,636
Key management personnel	Remuneration and other benefits	30,989,414	31,851,973
	Payment of Dividend to directors and their close family members	26,523,908	31,712,940

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



PROSPERITY WEAVING MILLS LTD.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

	December 31, 2024			Total
	Level 1	Level 2	Level 3	
	..... Rupees			
At December 31, 2024				
Financial assets - at fair value				
-Equity investments designated at FVTOCI	97,919,276	-	-	97,919,276
At December 31, 2024	97,919,276	-	-	97,919,276

	June 30, 2024			
Financial assets - at fair value				
Equity investments designated at FVTOCI	73,362,718	-	-	73,362,718
Mutual funds designated at FVTPL	-	152,575	-	152,575
At June 30, 2024	73,362,718	152,575	-	73,515,293

At December 31, 2024, the Company holds short term investments where the company has used Level 1 or level 2 inputs for the measurement of fair values and there is no transfer between levels.

13 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Half Year Ended (Un-Audited)			Closing
	Opening	Addition during the period	Paid during the period	
	..... Rupees			
Long term finances	2,143,179,470	10,299,150	213,982,687	1,939,495,933
Unclaimed dividend	7,102,793	46,200,000	45,984,749	7,318,044
Short term borrowings excluding running finance and bank overdraft	480,293,817	1,968,921,900	1,830,776,723	618,438,994
	2,630,576,080	2,025,421,050	2,090,744,159	2,565,252,971



PROSPERITY WEAVING MILLS LTD.

14 CORRESPONDING FIGURES

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

14.2 Figures have been rounded off to the nearest rupee.

15 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements have been approved by the board of directors of the Company and authorized for issue on February 26, 2025.

Handwritten signature of Raza Ellahi Shaikh.

Raza Ellahi Shaikh
Chief Executive Officer

Handwritten signature of Muhammad Tariq Sheikh.

Muhammad Tariq Sheikh
Chief Financial Officer

Handwritten signature of Haroon Shahzada Ellahi Shaikh.

Haroon Shahzada Ellahi Shaikh
Director

Lahore: February 26, 2025

PROSPERITY WEAVING MILLS LTD.

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