

**FIRST QUARTER REPORT  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2015  
(Un-Audited)**



**PROSPERITY WEAVING MILLS LTD.**



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## PROSPERITY WEAVING MILLS LTD.

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

Mr. Shaikh Enam Ellahi	Non-Executive Director / Chairman
Mr. Hasan Ahmed	Independent Non Executive Director
Mr. Javaid Bashir Sheikh	Non-Executive Director
Mr. Shahzada Ellahi Shaikh	Non-Executive Director
Mr. Shafqat Ellahi Shaikh	Non-Executive Director
Mr. Haroon Shahzada Ellahi Shaikh	Non-Executive Director
Mr. Shaukat Ellahi Shaikh	Executive Director
Mr. Tariq Zafar Bajwa	Executive Director

**MANAGING DIRECTOR (Chief Executive)** Mr. Shaukat Ellahi Shaikh

#### AUDIT COMMITTEE

Mr. Hasan Ahmed	Chairman
Mr. Shaikh Enam Ellahi	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Syed Mohsin Gilani	Secretary

#### HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Haroon Shahzada Ellahi Shaikh	Chairman
Mr. Shafqat Ellahi Shaikh	Member
Mr. Tariq Zafar Bajwa	Member
Mr. Muhammad Azam	Secretary

#### EXECUTIVE COMMITTEE

Mr. Shaikh Enam Ellahi	Chairman
Mr. Shahzada Ellahi Shaikh	Member
Mr. Shaukat Ellahi Shaikh	Member
Mr. Shafqat Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

#### CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

#### CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Tariq Sheikh

#### AUDITORS

Messrs Deloitte Yousuf Adil  
Chartered Accountants

#### CORPORATE ADVISORS

Bandial & Associates

#### LEAD BANKERS

Albaraka Bank (Pakistan) Ltd.  
Allied Bank Ltd.  
Askari Bank Ltd.  
Bank Alfalah Ltd.  
Faysal Bank Ltd.  
Habib Bank Ltd.  
Meezan Bank Ltd.  
MCB Bank Ltd.  
National Bank of Pakistan  
Samba Bank Ltd.  
Standard Chartered Bank (Pakistan) Ltd.  
The Bank of Punjab  
United Bank Ltd.

#### REGISTERED OFFICE

Nagina House  
91-B-1, M.M. Alam Road  
Gulberg-III, Lahore-54660  
[www.nagina.com](http://www.nagina.com)

#### WEB REFERENCE

#### SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.  
1<sup>st</sup> Floor, H.M. House  
7-Bank Square, Lahore  
Phone # 042-37235081-2  
Fax # 042-37358817  
13.5 K.M  
Sheikhupura Sharaqpur Road  
Sheikhupura

#### MILLS



## PROSPERITY WEAVING MILLS LTD.

### DIRECTORS' REPORT TO THE MEMBERS

*IN THE NAME OF ALLAH THE MOST GRACIOUS  
THE MOST BENEVOLENT THE MOST MERCIFUL*

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the quarter ended on September 30, 2015. The comparative figures for the corresponding quarter ended on September 30, 2014 are included for comparison, except in balance sheet where comparative figures are for the year ended on June 30, 2015.

#### **Company Performance**

Downtrend continued to prevail in the fabric market in the quarter under review. Depressed fabric prices has resulted in lower sales value which translated into loss of Rs. 39,279,610 compared to profit of Rs.2,280,525 during the corresponding quarter of previous year. Earning per share (EPS) is negative at Rs.2.13 compared to profit Rs. 0.12 during the corresponding quarter.

Sales during the period under review dropped by 20.60% over the corresponding period of previous year. Cost of sales increased from 95.70% of sales during the corresponding quarter to 97.06% of sales during the quarter under review. Gross profit dropped by 45.64% and stood at Rs.33,482,678.

Distribution cost for the quarter is Rs.22,552,826 (1.98% of sales) compared to Rs.23,709,922 (1.65 % of sales). Administrative expenses are at Rs.17,760,154(1.56% of sales) compared to Rs.15,849,967 (1.11% of sales).

Finance costs have increased by 54.70% over the corresponding quarter of previous year. This increase is due to rise in interest cost on account of additional long term loans obtained to finance the new looms & related machinery under our balancing modernization & replacement (BMR) plan.

#### **Future Outlook**

The weaving business is experiencing difficult market conditions where demand for greige fabric is falling leading to depressed unit prices. Our competing countries are better equipped, courtesy their governmental supports, to supply goods to our customers at lower prices. It is feared that situation may continue for some time. The management is trying to tackle the situation by striving to take aggressive cost saving measures while exploring opportunities of entering a variety of fabric markets. On vigorous representation, government has announced some positive decisions to reduce interest rates, revive export refinance schemes for textile sector and to impose regulatory duty on imports of fabrics. It is hoped that the government will urgently notify the concessions announced so that the weaving industry can benefit. However, inspite of these announcements, we are not foreseeing any significant improvement in the market conditions. Additional long term measures are required from the government to enable the weaving industry to become internationally competitive. It is hoped that the government will take serious steps to provide uninterrupted gas supplies, refund stuck up taxes, zero rate textile exports, negotiate better Free Trade Agreements and encourage value addition in the textile sector.



## PROSPERITY WEAVING MILLS LTD.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2015-16, Kapas, (seed cotton) arrivals upto October 15, 2015, at the Ginneries totaled to 4.663 million bales compared to 5.344 million bales of last similar period of the year 2014 showing decrease in arrival of 12.74%. shortage in production of cotton in the country may lead to rise in raw material costs and reduce the competitiveness of the entire textile chain in Pakistan.

### Acknowledgement

The continued diligence and devotion of the staff and workers of the Company and the continued 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 'Shaukat Ellahi Shaikh'.

**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)

Lahore: October 27, 2015



# PROSPERITY WEAVING MILLS LTD.

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2015

	Un-Audited	Audited
	September 30	June 30
	2015	2015
Note	-----Rupees-----	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital		
20,000,000 (June 30, 2015: 20,000,000)		
Ordinary shares of Rs. 10 each	200,000,000	200,000,000
Issued, subscribed and paid up capital	184,800,000	184,800,000
Capital reserves	9,456,776	16,600,000
Accumulated profit	652,686,057	691,965,667
<b>Total equity</b>	<b>846,942,833</b>	<b>893,365,667</b>
<b>SURPLUS ON REVALUATION OF LAND</b>	<b>55,564,634</b>	<b>55,564,634</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term finances	1,241,829,578	1,273,602,342
Employees retirement benefits	57,573,555	55,949,255
	1,299,403,133	1,329,551,597
<b>CURRENT LIABILITIES</b>		
Trade and other payables	313,975,387	291,312,143
Accrued interest / mark-up	25,275,772	26,848,333
Short term borrowings	310,535,830	106,182,503
Current portion of long term finances	102,817,548	86,294,048
	752,604,537	510,637,027
<b>TOTAL LIABILITIES</b>	<b>2,052,007,670</b>	<b>1,840,188,624</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>4</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,954,515,137</b>	<b>2,789,118,925</b>

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Lahore: October 27, 2015

  
Shahzada Ellahi Shaikh  
Director



# PROSPERITY WEAVING MILLS LTD.

		Un-Audited	Audited
		September 30	June 30
		2015	2015
Note		-----Rupees-----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	5	1,843,941,783	1,892,452,485
Long term deposits		15,039,000	15,039,000
Deferred taxation		5,710,887	5,710,887
		1,864,691,670	1,913,202,372
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		59,580,952	52,058,961
Stock-in-trade		508,489,329	344,042,970
Trade debts		230,587,990	172,615,197
Advances		45,926,532	27,310,202
Short term prepayments		4,095,652	1,664,010
Other receivables		1,709,327	2,168,649
Sales tax refundable		79,074,105	90,705,240
Advance income tax		100,370,214	93,155,383
Short term investments	6	35,659,750	86,251,500
Cash and bank balances		24,329,616	5,944,441
		1,089,823,467	875,916,553
<b>TOTAL ASSETS</b>		<b>2,954,515,137</b>	<b>2,789,118,925</b>

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

  
**Shaukat Ellahi Shaikh**  
 Mg. Director (Chief Executive)



# PROSPERITY WEAVING MILLS LTD.

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

		Quarter Ended	
		September 30 2015	September 30 2014
Note		.....Rupees.....	
Sales-net		1,137,591,132	1,432,692,651
Cost of sales	7	(1,104,108,454)	(1,371,100,773)
<b>Gross profit</b>		<b>33,482,678</b>	<b>61,591,878</b>
Distribution cost		(22,552,826)	(23,709,922)
Administrative expenses		(17,760,154)	(15,849,967)
Other expenses		(2,271,043)	(169,010)
		(42,584,023)	(39,728,899)
		(9,101,345)	21,862,979
Other income		115,509	-
<b>Operating (loss)/profit</b>		<b>(8,985,836)</b>	<b>21,862,979</b>
Finance cost		(30,293,774)	(19,582,454)
<b>(Loss)/profit before taxation</b>		<b>(39,279,610)</b>	<b>2,280,525</b>
Provision for taxation	8	-	-
<b>(Loss)/profit after taxation</b>		<b>(39,279,610)</b>	<b>2,280,525</b>
<b>Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified to profit and loss account</b>			
<b>Items that may be reclassified subsequently to profit and loss account</b>			
Unrealized loss on remeasurement of available for sale investments		(7,143,224)	-
Total other comprehensive (loss) for the period		(7,143,224)	-
<b>Total comprehensive (loss)/income for the period</b>		<b>(46,422,834)</b>	<b>2,280,525</b>
<b>Earnings per share - basic and diluted</b>		<b>(2.13)</b>	<b>0.12</b>

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

**Shahzada Ellahi Shaikh**  
Director

Lahore: October 27, 2015

**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)





# PROSPERITY WEAVING MILLS LTD.

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Quarter Ended	
	September 30 2015	September 30 2014
	.....Rupees.....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	(39,279,610)	2,280,525
Adjustments for:		
Depreciation on property, plant and equipment	46,274,017	30,622,929
Provision for employee retirement benefits	5,029,404	5,213,409
Loss on disposal of property, plant and equipment	1,914,360	-
Gain on disposal of short term investment	(115,509)	-
Finance cost	30,293,774	19,582,454
	<b>83,396,046</b>	<b>55,418,792</b>
Working capital changes	<b>44,116,436</b>	<b>57,699,317</b>
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(7,521,991)	(1,607,121)
Stock-in-trade	(164,446,359)	(140,268,002)
Trade debts	(57,972,793)	(71,889,519)
Advances	(18,616,330)	(36,389,005)
Short term prepayments	(2,431,642)	337,511
Other receivables	459,322	122,907
Sales tax refundable	11,631,135	(18,924,810)
	<b>(238,898,658)</b>	<b>(268,618,039)</b>
Increase in current liabilities		
Trade and other payables	22,667,892	76,907,789
	<b>(216,230,766)</b>	<b>(191,710,250)</b>
<b>Cash used in operations</b>	<b>(172,114,330)</b>	<b>(134,010,933)</b>
Finance cost paid	(31,866,335)	(13,826,719)
Employee retirement benefits paid	(3,405,104)	(2,311,359)
Income taxes paid	(7,214,831)	(11,760,306)
<b>Net cash used in operating activities</b>	<b>(214,600,600)</b>	<b>(161,909,317)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,227,675)	(87,035,697)
Proceeds from disposal of property, plant and equipment	4,550,000	-
Purchase of short term investment	(42,802,974)	-
Proceeds from disposal of short term investment	86,367,009	-
<b>Net cash from/(used in) investing activities</b>	<b>43,886,360</b>	<b>(87,035,697)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	-	159,507,139
Repayment of long term finances	(15,249,264)	(34,776,799)
Increase / (decrease) in short term borrowings	204,353,327	130,546,013
Dividends paid	(4,648)	-
<b>Net cash from / (used in) financing activities</b>	<b>189,099,415</b>	<b>255,276,353</b>
<b>Net decrease in cash and cash equivalents</b>	<b>18,385,175</b>	<b>6,331,339</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>5,944,441</b>	<b>31,039,252</b>
<b>Cash and cash equivalents at end of the period</b>	<b>24,329,616</b>	<b>37,370,591</b>

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh  
Director

Shaukat Ellahi Shaikh  
Mg. Director (Chief Executive)

Lahore: October 27, 2015



## PROSPERITY WEAVING MILLS LTD.

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Paid up Share capital	Capital reserves		Revenue reserve	Total
		Amalgamation reserve	Fair value reserve	Accumulated profit	
----- Rupees -----					
<b>Balance as at June 30, 2014 Audited (restated)</b>	184,800,000	16,600,000	-	724,536,909	925,936,909
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	2,280,525	2,280,525
Other comprehensive income - net of tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	2,280,525	2,280,525
<b>Balance as at September 30, 2014 (Un-audited)</b>	184,800,000	16,600,000	-	726,817,434	928,217,434
<b>Transactions with owners</b>					
Final dividend for the year ended June 30, 2014 @ 50% i.e. Rs. 5 per ordinary share	-	-	-	(92,400,000)	(92,400,000)
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	58,550,204	58,550,204
Other comprehensive loss - net of tax	-	-	-	(1,001,971)	(1,001,971)
<b>Total comprehensive income for the period</b>	-	-	-	57,548,233	57,548,233
<b>Balance as at June 30, 2015 (Audited)</b>	184,800,000	16,600,000	-	691,965,667	893,365,667
<b>Comprehensive income / (loss)</b>					
Loss after taxation	-	-	-	(39,279,610)	(39,279,610)
Other comprehensive loss	-	-	(7,143,224)	-	(7,143,224)
<b>Total comprehensive loss for the period</b>	-	-	(7,143,224)	(39,279,610)	(46,422,834)
<b>Balance as at September 30, 2015 (Un-audited)</b>	184,800,000	16,600,000	(7,143,224)	652,686,057	846,942,833

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

**Shahzad Ellahi Shaikh**  
Director

Lahore: October 27, 2015

**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)



## PROSPERITY WEAVING MILLS LTD.

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

#### 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 Companies Ordinance, 1984. The registered office of the Company is situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore. The Company is currently listed on Karachi and Lahore Stock Exchanges. The principal activity of the Company is manufacturing and sale of woven cloth. The Mill is located at District Sheikhpura in the Province of Punjab.
- 1.2 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

#### 2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the quarter ended September 30, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 The condensed interim financial information should be read in conjunction with annual audited financial statement for the year ended June 30, 2015. Comparative balance sheet is extracted from annual audited financial statement for the year ended June 30, 2015, whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are stated from un-audited condensed interim financial information for the quarter ended September 30, 2014.

#### 3 ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies and methods of computation adopted for preparation of the condensed interim financial information are the same as those applied in preparation of the annual audited financial statements for the year ended June 30, 2015 except as disclosed in note 3.2.

##### 3.2 Investments

###### Available for sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available for sale. After initial recognition, investments which are classified as available for sale are measured at fair value. Gains or losses on available for sale investments are recognized directly in other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is included in profit and loss account. These are sub-categorized as under:

###### Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

###### Un-quoted

Investments in unquoted equity instruments are stated at cost less any identified impairment loss.

- 3.3 Judgments and estimates made by the management in the preparation of the condensed interim financial information are the same as those applied in preparation of annual published financial statements of the Company for the year ended June 30, 2015.



# PROSPERITY WEAVING MILLS LTD.

Un-audited September 30 2015	Audited June 30 2015
-----Rupees-----	

## 4 CONTINGENCIES AND COMMITMENTS

### 4.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the financial statement for the year ended June 30, 2015.

### 4.2 Commitments

#### Irrevocable letters of credit for import of

Non-capital expenditures

29,928,072	66,477,200
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#### Operating Lease

payable with in one year

467,500	632,500
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payable later than one year but not later than five years

126,042	201,667
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593,542	834,167
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30,521,614	67,311,367
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## 5 FIXED ASSETS

Operating fixed assets (note 5.1)

1,833,980,150	1,885,505,011
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Capital work in progress

5,207,390	2,193,231
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Advance for intangible asset - Computer software.

4,754,243	4,754,243
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1,843,941,783	1,892,452,485
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### 5.1 Operating fixed assets

Opening written down value

1,885,505,011	831,044,977
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Additions during the period / year

Factory Building

871,209	100,785,511
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Non Factory Building

-	33,979,087
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Revaluation of Land

-	18,382,000
---	------------

Plant and machinery

-	1,054,796,058
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Electric installation

-	7,253,658
---	-----------

Furniture and fittings

-	1,091,050
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Office equipment

275,242	1,158,738
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Vehicles

67,065	4,335,707
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1,213,516	1,221,781,809
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Written down value of property, plant and equipment disposed off

(6,464,360)	(12,454,797)
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Depreciation charged during the period/year

(46,274,017)	(154,866,978)
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Written down value at end of the period/year

1,833,980,150	1,885,505,011
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## 6 SHORT TERM INVESTMENTS

### Fair value through profit or loss

Investment in mutual funds

-	86,251,500
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### Available for sale - quoted investments

Equity securities of listed companies

35,659,750	-
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35,659,750	86,251,500
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## PROSPERITY WEAVING MILLS LTD.

### Quarter Ended (Un-audited)

September 30 2015	September 30 2014
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#### 7 COST OF SALES

.....Rupees.....

Raw material consumed	965,148,469	1,153,840,933
Fuel and power	107,749,816	180,897,682
Salaries, wages and benefits	74,111,359	72,903,136
Stores and spares consumed	16,742,813	11,047,584
Sizing material consumed	26,701,306	27,465,126
Depreciation	44,648,251	28,767,322
Packing material consumed	5,594,810	5,488,649
Insurance	1,913,370	2,370,203
Repairs and maintenance	951,594	1,404,276
Electricity duty	670,752	509,063
Vehicles running and maintenance	1,127,078	1,253,110
Traveling and conveyance	141,220	137,704
Lease rentals-land	75,624	68,748
Fee and subscription	-	88,618
Entertainment	212,586	269,772
Others	852,463	1,851,324
	<b>1,246,641,511</b>	<b>1,488,363,250</b>
Work-in-process:		
At beginning of period	67,507,067	75,367,952
At end of period	(73,551,016)	(101,750,174)
	<b>(6,043,949)</b>	<b>(26,382,222)</b>
	<b>1,240,597,562</b>	<b>1,461,981,028</b>
Finished stocks:		
At beginning of period	170,422,416	196,906,966
Cloth Purchased	-	370,371
At end of period	(306,911,524)	(288,157,592)
	<b>(136,489,108)</b>	<b>(90,880,255)</b>
	<b>1,104,108,454</b>	<b>1,371,100,773</b>

#### 8 PROVISION FOR TAXATION

- 8.1 Provision for current tax has not been recorded due to adjustment of tax credit available u/s 65B of the Income Tax Ordinance, 2001.
- 8.2 No provision of deferred tax has been made as the impact of the same is considered immaterial.

#### 9 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:



## PROSPERITY WEAVING MILLS LTD.

		Quarter Ended (Un-audited)	
		September 30 2015	September 30 2014
		.....Rupees.....	
Nature of Relationship	Nature of Transaction		
Associated companies	Purchase of goods and services	268,750,447	394,490,273
	Sale of goods and services	55,146	41,308
	Rent expense	165,000	150,000
Key Management Personnel	Remuneration and other benefits	5,833,481	5,255,335

The transactions between the Company and the related parties are carried out as per agreed terms. The consideration is settled on commercial terms and conditions.

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

### 10 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on October 27, 2015.

### 11 OTHERS

The Board of Directors in its meeting held on September 29, 2015 proposed to distribute to the shareholders of the company a cash dividend at the rate of fifteen percent (i.e. Rs.1.50 per ordinary share). The dividend is subject to the approval by the shareholders of the company in its forthcoming Annual General Meeting to be held on October 28, 2015.

### 12 CORRESPONDING FIGURES

Corresponding figures have been rearranged and regrouped wherever necessary for the purpose of comparison. However no significant changes have been made.

Figures have been rounded off to the nearest Rupee.

Lahore: October 27, 2015

  
**Shahzada Ellahi Shaikh**  
Director

  
**Shaukat Ellahi Shaikh**  
Mg. Director (Chief Executive)



## PROSPERITY WEAVING MILLS LTD.

### SHAREHOLDERS' INFORMATION

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

As has already notified from time to time, the Securities and Exchange Commission of Pakistan (SECP), vide SRO 19(I)/2014 dated January 10, 2014 read with SRO 831(I)/2012 dated July 5, 2012 required that dividend warrants should bear Computerized National Identity Card (CNIC) number of the registered member.

Members who have not yet submitted copy of their valid Computerized National Identity Card (CNIC) / National Tax Number (NTN) Certificate (in case of Corporate Entity) are requested to submit the same at the earliest.

Copy of CNIC/NTN may be sent directly to the Share Registrar:

M/s Hameed Majeed Associates (Pvt.) Limited,  
1st Floor, H.M. House,  
7-Bank Square,  
Lahore  
Ph # (+92-42) 37235081-82  
Fax # (+92-42) 37358817

**Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.**

#### 2. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 ("Income Tax Ordinance").

Pursuant to the provisions of the Finance Act, 2015 with effect from July 1, 2015, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

- (a) Rate of tax deduction for filer of income tax returns @12.5%
- (b) Rate of tax deduction for non-filer of income tax returns @17.5%

All shareholders' of the Company who hold shares in physical form are therefore requested to send a valid copy of their CNIC (individuals) and NTN (Corporate entities) certificate to the Company's Share Registrar M/s. Hameed Majeed Associates (Pvt) Ltd. to allow the Company to ascertain the status of the shareholder.

Shareholders of the Company who hold shares in scrip-less form on Central Depository System (CDS) of Central Depository Company of Pakistan Ltd (CDC) are requested to send valid copies of their CNIC (individuals) and NTN (Corporate entities) certificate to their CDC Participants / CDC Investor Account Services.

Where the required documents are not submitted, the Company will be constrained to treat the non-complying shareholders as a non-filer thereby attracting a higher rate of withholding tax.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding 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).

**BOOK POST**

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**PROSPERITY WEAVING MILLS LTD.**

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