

**FIRST QUARTER REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2017
(Un-Audited)**



PROSPERITY WEAVING MILLS LTD.



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
Mr. Hasan Ahmed	Independent Non Executive Director
Mr. Javaid Bashir Sheikh	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. Shaukat Ellahi Shaikh	Non-Executive Director
Mr. Tariq Zafar Bajwa	Executive Director

MANAGING DIRECTOR (Chief Executive) Mr. Raza Ellahi Shaikh

AUDIT COMMITTEE

Mr. Hasan Ahmed	Chairman
Mr. Amin Ellahi Shaikh	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. Shaukat Ellahi Shaikh	Chairman
Mr. Shahzada Ellahi Shaikh	Member
Mr. Shafqat 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 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
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

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.

DRAFT DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the 1st quarter ended on September 30, 2017. The comparative figures for the corresponding quarter ended on September 30, 2016 are included for comparison, except in balance sheet where comparative figures are for the year ended on June 30, 2017.

Company Performance

Fabric market continues to operate under recessionary environment. However despite all odds your company has managed to remain profitable and posted a thin profit of Rs. 513,951 compared to Rs. 883,669 during corresponding quarter of previous year. Earning per share (EPS) is Rs. 0.03 compared to Rs. 0.05 during the corresponding quarter of previous year.

Sales revenue for the quarter under review increased by 19.93% over the corresponding quarter of previous year and stood at Rs. 1,399,580,783 compared to Rs. 1,167,020,696. Sales revenue increased due to enhancement in both sales volume and sales price. However, Cost of sales increased from 94.22% of sales during same period of previous year to 94.46% of sales during quarter under review. Main causes of cost escalations are increase in yarn and energy costs and higher depreciation due to installation of new machinery. Increase in cost of sales resulted decrease in Gross Profit (GP) from 5.78 % of sales during corresponding quarter of previous year to 5.54% of sales during quarter under review.

Overall operating expenses increased by 20.80% over the corresponding quarter of previous year. Finance cost increased by 22.84% over the corresponding quarter of previous year and stood at Rs. 32,623,009. The major reason for increase in finance cost is that company opted for rupee based financing instead of dollar based financing.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2017-18, Kapas, (seed cotton) arrivals upto October 15, 2017, at the Ginneries totalled 5.984 million bales compared to 4.375 million bales of same period of previous year showing increase in arrival of 36.78%.

Future Outlook

The government has announced export incentives for the textile sector and issued SRO on October 20, 2017. It is hoped that the export rebates announced under the government export enhancement policy will help in the financial revival of the textile sector. Cotton crop forecasts are encouraging and it is expected that the country may harvest a large cotton crop. A good crop size in the country would help in maintaining competitiveness of the industry and sustain the export volumes. Overall fabric market is still under distress consequent to which product margins are thin. The weaving business is experiencing difficult market conditions where demand for greige fabric is falling leading to depressed unit prices. Your management is striving to combat this situation through product diversification and seeking new market avenues, taking strict cost saving measures. We hope that our government would resolve issues such as timely release of stuck up tax refunds, release of long awaited technology up-gradation fund (TUF), supply of cost effective uninterrupted



PROSPERITY WEAVING MILLS LTD.

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 thanks to the bankers and other stakeholders for their continued support to the Company.

On behalf of the Board.

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

Shahzada Ellahi Shaikh
Chairman

Lahore: October 26, 2017

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

Raza Ellahi Shaikh
Mg. Director (Chief Executive)

ممبران کے لیے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 ستمبر 2017 کو مختتمہ پہلی سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 30 ستمبر 2016 کو ختم ہونے والی اسی سہ ماہی کے تقابلی اعداد و شمار بھی ٹیلنس شیٹ میں موازنہ کے لئے شامل کئے گئے ہیں، سوائے ٹیلنس شیٹ کے جہاں تقابلی اعداد و شمار 30 جون 2017 کو مختتمہ سال کے لئے ہیں۔

کمپنی کی کارکردگی

فیبرک مارکیٹ بحرانی ماحول میں کاروبار جاری رکھے ہوئے ہے۔ تاہم تمام مشکلات کے باوجود آپ کی کمپنی منافع بخش رہی اور گزشتہ سال کی اسی سہ ماہی کے دوران 883,669 روپے کے مقابلہ میں معمولی منافع 513,951 روپے کمایا ہے سہ ماہی کے لئے فی شیئر آمدنی (EPS) گزشتہ سال کی اسی سہ ماہی کے دوران 0.05 روپے کے مقابلہ میں 0.03 روپے ہے۔

زیر جائزہ مدت کے دوران فروخت کی آمدنی گزشتہ سال کی اسی سہ ماہی سے 19.93 فیصد اضافہ کے ساتھ 1,167,020,696 روپے کے مقابلہ میں 1,399,580,783 روپے رہی ہے۔ فروخت کی آمدنی میں اضافہ فروخت کے حجم اور قیمت فروخت دونوں میں اضافہ کے باعث ہوا۔ تاہم، فروخت کی لاگت گزشتہ سال کی اسی سہ ماہی کے دوران فروخت کی 94.22 فیصد سے بڑھ کر زیر جائزہ سہ ماہی کے دوران فروخت کی 94.46 فیصد ہو گئی۔ لاگت میں تیزی سے اضافہ کی اہم وجوہات یارن اور بجلی کی قیمتوں میں اضافہ اور نئی مشینری کی تنصیب کی بدولت اضافی ڈیپریسیشن ہیں۔ فروخت کے اخراجات میں اضافے کے نتیجے میں مجموعی منافع (جی پی) گزشتہ سال کی اسی سہ ماہی کے دوران فروخت کا 5.78 فیصد سے کم ہو کر فروخت کا 5.54 فیصد ہو گیا۔

مجموعی انتظامی اخراجات گزشتہ سال کی اسی سہ ماہی سے 20.80 فیصد زیادہ ہوئے۔ مالی لاگت گزشتہ سال کی اسی سہ ماہی سے 22.84 فیصد اضافہ کے ساتھ 32,623,009 روپے رہی۔ مالی لاگت میں اضافہ کی اہم وجہ یہ ہے کہ کمپنی نے ڈالر پر مبنی فنڈنگ کی بجائے روپے پر مبنی فنڈنگ کا انتخاب کیا ہے۔

فصل سال 2017-18 کیلئے پاکستان کاٹن جزا ایسوسی ایشن کی طرف سے جاری کردہ اعداد و شمار کے مطابق کپاس (بیج کپاس) کی 15 اکتوبر 2017 تک جزیر میں آمد گزشتہ سال کی اسی مدت میں 4.375 ملین گانٹھوں کے مقابلہ میں 5.984 ملین گانٹھیں ہو گئی جو 36.78 فیصد کا اضافہ ظاہر کرتی ہے۔

مستقبل کا نقطہ نظر

حکومت نے ٹیکسٹائل شعبے کے لئے برآمدی سہولتوں کا اعلان کیا ہے اور 20 اکتوبر 2017 کو SRO جاری کیا ہے۔ امید ہے کہ حکومت کی برآمد کو بڑھانے کی پالیسی کے تحت اعلان کردہ برآمدی رعایت ٹیکسٹائل شعبے کی مالی بحالی میں مدد کرے گی۔ کپاس کی آنے والی فصل کے اعداد و شمار حوصلہ افزاء ہیں۔ اور یہ توقع کی جاسکتی ہے کہ ملک کپاس کی بڑی فصل کاشت کر سکتا ہے۔ ملک میں فصل کا اچھا سائز صنعت کی مسابقت کو برقرار رکھنے اور برآمدی حجم کو مستحکم رکھنے میں مدد کرے گا۔



PROSPERITY WEAVING MILLS LTD.

مجموعی طور پر فیبرک مارکیٹ ابھی تک دباؤ کا شکار ہے جس کے نتیجہ میں پروڈکٹ مارجنز معمولی ہیں۔ ویونگ کاروبار مشکل مارکیٹ حالات سے گزر رہا ہے جہاں کورے کپڑے کی طلب گرنے کی وجہ سے قیمتیں دباؤ کا شکار ہیں۔ انتظامیہ مصنوعات کی تنوع، نئی مارکیٹ کی راہیں تلاش کرنے اور لاگت بچانے کے سخت اقدامات کے ذریعے اس صورت حال کا مقابلہ کرنے کی کوشش کر رہی ہے۔ ہمیں امید ہے کہ ہماری حکومت کی ہوئی ٹیکس رقوم کی بروقت واپسی، طویل انتظار کے بعد ٹیکنالوجی اپ گریڈیشن فنڈ (TUF) کی ادائیگی، مؤثر لاگتی بجلی کی بلا تعطل فراہمی اور ٹیکسٹائل شعبے کے لئے زیور ٹیکنیکس نظام جیسے مسائل کو حل کرے گی۔

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 اور دیگر حصہ داروں کا شکریہ ادا کرتے ہیں۔

منجانب بورڈ

رضا الہی شیخ

مینیجنگ ڈائریکٹر (چیف ایگزیکٹو)

شہزاد الہی شیخ

چیئرمین

لاہور: 26 اکتوبر 2017ء




PROSPERITY WEAVING MILLS LTD.


CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017

	Un-Audited	Audited
	September 30	June 30
	2017	2017
Note	-----Rupees-----	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Share Capital		
20,000,000 (June 30, 2017: 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	(22,433,593)	8,532,746
Accumulated Profit	719,792,549	719,278,598
Total equity	882,158,956	912,611,344
SURPLUS ON REVALUATION OF LAND	55,564,634	55,564,634
LIABILITIES		
NON-CURRENT LIABILITIES		
Long Term Finances	1,565,123,807	1,616,753,424
Employees Retirement Benefits	88,628,042	83,825,666
Deferred Taxation	22,739,398	22,739,398
	1,676,491,247	1,723,318,488
CURRENT LIABILITIES		
Trade and Other Payables	410,566,031	409,960,059
Accrued Interest / Mark-up	28,981,458	26,616,488
Short Term Borrowings	811,501,148	968,807,297
Current Portion of Long Term Finances	206,518,464	201,756,712
	1,457,567,101	1,607,140,556
TOTAL LIABILITIES	3,134,058,348	3,330,459,044
CONTINGENCIES AND COMMITMENTS	4	-
TOTAL EQUITY AND LIABILITIES	4,071,781,938	4,298,635,022

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Lahore: October 26, 2017


Shahzada Ellahi Shaikh
Chairman


Muhammad Tariq Sheikh
CFO



PROSPERITY WEAVING MILLS LTD.

		Un-Audited	Audited
		September 30	June 30
		2017	2017
	Note	-----Rupees-----	
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	5	2,214,591,312	2,258,307,569
Long Term Deposits		15,039,000	15,039,000
		2,229,630,312	2,273,346,569
CURRENT ASSETS			
Stores, Spare Parts and Loose Tools		47,536,471	41,019,980
Stock-in-Trade		545,919,907	385,948,672
Trade Debts		370,027,867	632,444,734
Advances		38,753,116	58,398,118
Short Term Prepayments		6,509,951	1,774,557
Other Receivables		33,097,478	38,702,922
Sales Tax Refundable		122,674,326	145,042,143
Short Term Investments		493,752,575	549,149,576
Advance Income Tax - Net		167,265,002	157,554,473
Cash and Bank Balances		16,614,933	15,253,278
		1,842,151,626	2,025,288,453
TOTAL ASSETS		4,071,781,938	4,298,635,022

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Raza Ellahi Shaikh
Mg. Director (Chief Executive)



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Note	Quarter Ended	
		September 30 2017	September 30 2016
	Rupees.....	
Sales-net		1,399,580,783	1,167,020,696
Cost of sales	6	(1,321,989,604)	(1,099,617,077)
Gross profit		77,591,179	67,403,619
Distribution cost		(23,886,073)	(19,605,143)
Administrative expenses		(20,598,870)	(17,302,285)
Other expenses		(4,584,985)	(3,713,097)
		(49,069,928)	(40,620,525)
		28,521,251	26,783,094
Other income		4,615,709	657,582
Operating Profit		33,136,960	27,440,676
Finance cost		(32,623,009)	(26,557,007)
Profit before Taxation		513,951	883,669
Provision for taxation	7	-	-
Profit after Taxation		513,951	883,669
Other comprehensive (Loss) / income			
Items that may be reclassified subsequently to profit and loss account			
Unrealized loss on remeasurement of available for sale investments		(30,966,339)	(723,766)
Total other comprehensive (loss) for the period		(30,966,339)	(723,766)
Total comprehensive (Loss) / Income for the period		(30,452,388)	159,903
Earnings per share - basic and diluted		0.03	0.05

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh
Chairman

Muhammad Tariq Sheikh
CFO

Raza Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore: October 26, 2017



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter Ended	
	September 30 2017	September 30 2016
Rupees.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	513,951	883,669
Adjustments for:		
Depreciation on property, plant and equipment	55,475,238	41,917,948
Amortization of intangible assets	294,673	294,674
Provision for employee retirement benefits	6,505,722	5,286,229
(Gain) / Loss on disposal of property, plant and equipment	(503,948)	3,528,144
Gain on disposal of short term investment	(2,756,325)	-
Finance cost	32,623,009	26,557,007
	91,638,369	77,584,002
	92,152,320	78,467,671
Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(6,516,491)	(24,311,153)
Stock-in-trade	(159,971,235)	(148,469,540)
Trade debts	262,416,867	26,647,910
Advances	19,645,002	(8,501,896)
Short term prepayments	(4,735,394)	1,732,799
Other receivables	5,605,444	199,615
Sales Tax Refundable	22,367,817	43,970,407
	138,812,010	(108,731,858)
Increase in current liabilities		
Trade and other payables	605,982	22,849,075
	139,417,992	(85,882,783)
Cash generated from/(used in) operations	231,570,312	(7,415,112)
Finance cost paid	(30,258,039)	(26,587,845)
Employee retirement benefits paid	(1,703,346)	(2,766,378)
Income taxes paid	(9,710,529)	(10,060,096)
Net cash generated from / (used in) operating activities	189,898,398	(46,829,431)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,201,706)	(50,471,935)
Proceeds from disposal of property, plant and equipment	1,652,000	1,967,500
Purchase of short term investment	(7,247,657)	(37,216,656)
Proceeds from disposal of short term investment	34,434,644	-
Net cash generated from / (used in) investing activities	15,637,281	(85,721,091)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finances	(46,867,865)	(31,772,764)
Increase / (decrease) in short term borrowings	(157,306,149)	82,935,068
Dividends paid	(10)	(24)
Net cash (used in) / generated from financing activities	(204,174,024)	51,162,280
Net increase / (decrease) in cash and cash equivalents	1,361,655	(81,388,242)
Cash and cash equivalents at beginning of the period	15,253,278	118,097,021
Cash and cash equivalents at end of the period	16,614,933	36,708,779

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh
Chairman

Muhammad Tariq Sheikh
CFO

Raza Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore: October 26, 2017



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Paid up Share capital	Capital reserves		Accumulated Profit	Total
		Amalgamation reserve	Fair value reserve		
	Rupees				
Balance as at June 30, 2016 (Audited)	184,800,000	16,600,000	580,505	699,392,255	901,372,760
Comprehensive income					
Profit after taxation	-	-	-	883,669	883,669
Other comprehensive loss	-	-	(723,766)	-	(723,766)
Total comprehensive (Loss) / Income for the period	-	-	(723,766)	883,669	159,903
Balance as at September 30, 2016 (Un-audited)	184,800,000	16,600,000	(143,261)	700,275,924	901,532,663
Transactions with owners					
Final dividend for the year ended June 30, 2016 @ 17.5% i.e. Rs.1.75 per ordinary share	-	-	-	(32,340,000)	(32,340,000)
Comprehensive Income					
Profit after taxation	-	-	-	55,313,877	55,313,877
Other comprehensive (Loss) - Net of tax	-	-	(7,923,993)	(3,971,203)	(11,895,196)
Total comprehensive (Loss) / Income for the period	-	-	(7,923,993)	51,342,674	43,418,681
Balance as at June 30, 2017 (Audited)	184,800,000	16,600,000	(8,067,254)	719,278,598	912,611,344
Comprehensive Income					
Profit after Taxation	-	-	-	513,951	513,951
Other comprehensive Loss	-	-	(30,966,339)	-	(30,966,339)
Total comprehensive (Loss) / Income for the period	-	-	(30,966,339)	513,951	(30,452,388)
Balance as at September 30, 2017 (Un-audited)	<u>184,800,000</u>	<u>16,600,000</u>	<u>(39,033,593)</u>	<u>719,792,549</u>	<u>882,158,956</u>

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh
Chairman

Muhammad Tariq Sheikh
CFO

Raza Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore: October 26, 2017



PROSPERITY WEAVING MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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 Pakistan Stock Exchange Limited. 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, 2017 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, 2017. Comparative balance sheet is extracted from annual audited financial statement for the year ended June 30, 2017, 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, 2016.

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 audited annual published financial statements for the year ended June 30, 2017.
- 3.2** 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 audited annual published financial statements of the Company for the year ended June 30, 2017.



PROSPERITY WEAVING MILLS LTD.

4 CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

There is no significant change in the status of contingencies as disclosed in Note 13 of the Financial Statement for the year ended June 30, 2017.

4.2 Commitments

Irrevocable letters of credit for

Non-capital expenditures

Un-audited Audited
September 30 June 30
2017 2017
-----Rupees-----

19,707,340 13,354,541

19,707,340 13,354,541

Operating Lease

payable within one year

530,750 728,750

payable later than one year but not later than five years

138,646 221,833

669,396 950,583

20,376,736 14,305,124

5 FIXED ASSETS

Property, plant and equipment

Operating fixed assets (note 5.1)

2,208,504,526 2,228,549,491

Capital work in progress

1,764,906 25,141,525

2,210,269,432 2,253,691,016

Intangible assets

4,321,880 4,616,553

2,214,591,312 2,258,307,569

5.1 Operating fixed assets

Opening written down value

2,228,549,491 1,710,209,818

Additions during the period / year

Factory building

1,819,074 17,422,317

Non factory building

- 9,199,637

Plant and machinery

30,967,605 733,343,329

Factory equipment

1,960,133 -

Furniture and fittings

242,473 508,274

Office equipment

88,500 749,575

Vehicles

1,500,540 20,378,224

36,578,325 781,601,356

Written down value of property, plant and equipment disposed off

(1,148,052) (79,109,293)

Depreciation charged during the period/year

(55,475,238) (184,152,390)

Written down value at end of the period/year

2,208,504,526 2,228,549,491



PROSPERITY WEAVING MILLS LTD.

6 COST OF SALES

Raw material consumed
Fuel and power
Salaries, wages and benefits
Stores and spares consumed
Sizing material consumed
Depreciation
Packing material consumed
Insurance
Repairs and maintenance
Electricity duty
Vehicles running and maintenance
Traveling and conveyance
Lease rentals-land
Fee and subscription
Entertainment
Others

Work-in-process:

At beginning of period
At end of period

Cost of Goods Manufactured

Finished stocks:

At beginning of period
Cloth Purchased
At end of period

Quarter Ended (Un-audited)	
September 30 2017	September 30 2016
.....Rupees.....	
1,114,838,848	973,736,066
136,959,821	103,956,196
88,434,553	77,206,805
12,612,211	12,830,565
32,194,746	27,016,056
53,490,848	40,268,301
6,161,188	5,349,885
2,141,189	2,108,345
746,940	158,815
974,258	810,251
1,230,187	1,216,041
130,005	123,620
75,624	75,624
98,041	43,000
316,019	241,708
1,828,008	833,668
1,452,232,486	1,245,974,946
70,882,274	67,448,521
(81,529,486)	(71,562,799)
(10,647,212)	(4,114,278)
1,441,585,274	1,241,860,668
186,253,433	111,350,052
870	45,618
(305,849,973)	(253,639,261)
(119,595,670)	(142,243,591)
1,321,989,604	1,099,617,077

7 PROVISION FOR TAXATION

7.1 Provision for current tax relating to business income has not been recorded due to tax credit available u/s 65B of the Income Tax Ordinance, 2001.

7.2 No provision of deferred tax has been made as the impact of the same is considered immaterial.

8 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:

Quarter Ended (Un-audited)	
Nature of Relationship	Nature of Transaction
September 30 2017	September 30 2016
.....Rupees.....	
Associated companies	Purchase of goods and services
	216,139,074 287,061,103
	Sale of goods and services
	51,628 54,811
	Rent expense
	198,000 180,000
Key Management Personnel	Remuneration and other benefits
	6,811,452 6,302,629

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.



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9 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:

September 30, 2017				
Level 1	Level 2	Level 3	Total	
Rs				
Value				
Assets	467,744,007	-	-	467,744,007
	26,008,568	-	-	26,008,568
	493,752,575	-	-	493,752,575
June 30, 2017				
Level 1	Level 2	Level 3	Total	
Rs				

Financial assets - at fair value

Avaibale for sale

- Listed Equity Securities	521,505,484	-	-	521,505,484
- NAFA Stock Fund	27,644,092	-	-	27,644,092
	<u>549,149,576</u>	<u>-</u>	<u>-</u>	<u>549,149,576</u>

At September 30, 2017 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.

10 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended June 30, 2017.

11 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 26, 2017.



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12 OTHERS

The Board of Directors in its meeting held on September 28, 2017 proposed to distribute to the shareholders of the company a cash dividend at the rate of 20 % i.e. Rs.2/- per ordinary share (2016: 17.5% i.e. 1.75 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 27, 2017.

13 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.

Shahzada Ellahi Shaikh
Chairman

Muhammad Tariq Sheikh
CFO

Raza Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore: October 26, 2017



PROSPERITY WEAVING MILLS LTD.

SHAREHOLDERS' INFORMATION

MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

In accordance with Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that given bank mandate for dividend payments is **MANDATORY** and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following particulars directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS).

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

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

Signature of the Shareholder

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 Notification SRO 275(I)/2016 dated March 31, 2016 read with Notification SRO 19(I)/2014 dated January 10, 2014 and Notification 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



PROSPERITY WEAVING MILLS LTD.

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

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, 2017 with effect from July 1, 2017, 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 @15%
- (b) Rate of tax deduction for non-filer of income tax returns @20%

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-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to immediately provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in writing, otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s).

PROSPERITY WEAVING MILLS LTD.

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Gulberg-III Lahore-54660