

**HALF YEARLY REPORT  
FOR THE PERIOD ENDED  
DECEMBER 31, 2013  
(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. Hassan 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. Shahzada Sultan Mubashir	Executive Director

### MANAGING DIRECTOR (Chief Executive)

Mr. Shaukat Ellahi Shaikh

### AUDIT COMMITTEE

Mr. Hassan Ahmed	Chairman
Mr. Shaikh Enam Ellahi	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Shahzada Sultan Mubashir	Secretary

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

Mr. Haroon Shahzada Ellahi Shaikh	Chairman
Mr. Shafqat Ellahi Shaikh	Member
Mr. Shahzada Sultan Mubashir	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. Shahzada Sultan Mubashir

### CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Tariq Sheikh

### AUDITORS

Messrs M. Yousuf Adil Saleem & Co.  
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.  
HSBC Bank Middle East 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

### WEB REFERENCE

[www.nagina.com](http://www.nagina.com)

### SHARE 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

### MILLS

13.5 K.M  
Sheikhupura Sharaqpur Road  
Sheikhupura



## 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 half year ended on December 31, 2013. As required by International Auditing Standards, Company's external auditors have reviewed the condensed interim financial information. The review report is attached herewith. The comparative figures for the corresponding half year ended on December 31, 2012 are included for comparison, except in balance sheet where figures are for the year ended on June 30, 2013 as required by International Accounting Standards.

#### **Company Performance**

Alhamdulillah, despite very challenging conditions the Company has continued to maintain its profitability and earned after tax profits of Rs.134,592,167 or 4.03% of sales compared to Rs.152,198,441 or 5% of sales for the corresponding half year of previous year. Earnings Per Share (EPS), for the half year is Rs.7.28 compared to Rs.8.24 during the corresponding period. Main reason for decrease in profitability was rise in energy costs compared to corresponding half year of previous year.

Sales revenue for the half year is Rs.3,336,611,089 compared to Rs.3,043,264,422 showing growth of 9.64% over the corresponding period. This growth in sales is attributable to improvement in price per meter sold in the market. The Gross profit (G.P) for the half year is Rs.288,852,256 (8.66% of sales) compared to Rs.311,615,383 (10.24% of sales) for the corresponding period of last year. Prices of Yarn have increased, however due to effective marketing the Company has been able to recover it by increasing the selling prices of cloth. Main reason of decrease in the G.P for the half-year is increase in fuel and power cost and absorption of increase in minimum wage rate announced by the Government.

Distribution cost for the half year is Rs.45,752,629 (1.37% of sales) compared to Rs.55,017,382 (1.81% of sales) showing decrease of 16.84% over the corresponding period. The management through effective negotiations was able to reduce the commission and brokerage expenses compared to corresponding period of last year. Administrative expenses increased due to inflationary impact.

The Company has been able to generate stable cash flows and discharged all its operating and financial liabilities in time. Financial costs have decreased during the period under review mainly due to repayments of long-term loans and efficient working capital management.

#### **Future Outlook**

We welcome the granting of GSP plus status to Pakistan by European Union. Additional demand is expected to generate in exports in the coming years. Hence, management of your Company has planned to add another 52 air jet Looms of 190 cm narrow width category along with necessary back process. Out of 52 looms, 4 air jet looms have already been installed and LCs have been established for the remaining 48 looms.

At the same time, maintaining the same growth shall be challenging for the Company due to ever-increasing energy costs. In future Company's ability to produce same results are dependent on uninterrupted gas and electricity supply, continued demand for fabric from both local and International markets, stability in yarn prices, single digit inflation and controlled law and order situation in the country. The State Bank of Pakistan (SBP) increased the interest rates by 1% in last six months and market is expecting a further rise.

#### **Acknowledgement**

The continued good results have been possible due to 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.

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

Lahore: February 25, 2014

## **AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of **Prosperity Weaving Mills Limited** (the Company) as at December 31, 2013, the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts, for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2013 and December 31, 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of the person responsible for the 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 information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

  
Chartered Accountants

**Engagement Partner:**  
Talat Javed

**Dated: February 25, 2014**  
**Multan**



# PROSPERITY WEAVING MILLS LTD.

## CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2013

	Un-Audited	Audited	
	December 31	June 30	
	2013	2013	
Note	-----Rupees-----		
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
20,000,000 (June 30, 2013: 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 reserve	16,600,000	16,600,000	
Accumulated profit	679,512,414	655,800,247	
<b>Total equity</b>	<b>880,912,414</b>	<b>857,200,247</b>	
<b>SURPLUS ON REVALUATION OF LAND</b>	<b>37,182,634</b>	<b>37,182,634</b>	
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term finances	4	195,299,920	214,100,319
Employees retirement benefits		43,682,830	39,000,140
Deferred taxation		23,798,161	23,798,161
		262,780,911	276,898,620
<b>CURRENT LIABILITIES</b>			
Trade and other payables		225,707,254	201,679,943
Accrued interest / mark-up		11,228,204	12,276,384
Short term borrowings		401,470,601	304,198,925
Current portion of long term finances		84,121,806	84,121,806
		722,527,865	602,277,058
<b>TOTAL LIABILITIES</b>		<b>985,308,776</b>	<b>879,175,678</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	5	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,903,403,824</b>	<b>1,773,558,559</b>

The annexed explanatory notes from 1 to 11 form integral part of the condensed interim financial information.

Lahore: February 25, 2014

  
Haroon Shahzada Ellahi Shaikh  
Director



# PROSPERITY WEAVING MILLS LTD.

		Un-Audited December 31 2013	Audited June 30 2013
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	843,187,121	826,324,957
Long term deposits		15,039,000	15,039,000
		858,226,121	841,363,957
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		53,884,753	38,885,526
Stock-in-trade		574,437,829	462,049,355
Trade debts		251,893,465	250,831,357
Advances		20,741,752	24,990,478
Short term prepayments		2,609,812	1,172,837
Other receivables		1,275,789	1,833,862
Sales tax refundable		81,613,823	54,598,739
Advance income tax		26,011,544	30,377,159
Cash and bank balances		32,708,936	67,455,289
		1,045,177,703	932,194,602
<b>TOTAL ASSETS</b>		<b>1,903,403,824</b>	<b>1,773,558,559</b>

The annexed explanatory notes from 1 to 11 form integral part of the condensed interim financial information.

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

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	Note	Half Year Ended		Quarter Ended	
		December 31	December 31	December 31	December 31
		2013	2012	2013	2012
		.....Rupees.....	.....Rupees.....	.....Rupees.....	.....Rupees.....
Sales-net		3,336,611,089	3,043,264,422	1,582,845,349	1,641,215,764
Cost of sales	7	(3,047,758,833)	(2,731,649,039)	(1,437,401,702)	(1,484,778,329)
<b>Gross profit</b>		<b>288,852,256</b>	<b>311,615,383</b>	<b>145,443,647</b>	<b>156,437,435</b>
Distribution cost		(45,752,629)	(55,017,382)	(19,454,733)	(22,640,373)
Administrative expenses		(29,232,850)	(24,116,744)	(17,878,627)	(14,682,908)
Other operating expenses		(12,335,610)	(13,529,531)	(6,159,388)	(7,193,566)
		(87,321,089)	(92,663,657)	(43,492,748)	(44,516,847)
		201,531,167	218,951,726	101,950,899	111,920,588
Other income		240,768	721,379	165,754	308,966
<b>Operating profit</b>		<b>201,771,935</b>	<b>219,673,105</b>	<b>102,116,653</b>	<b>112,229,554</b>
Finance cost		(36,005,237)	(42,160,640)	(19,684,190)	(19,993,985)
<b>Profit before taxation</b>		<b>165,766,698</b>	<b>177,512,465</b>	<b>82,432,463</b>	<b>92,235,569</b>
Provision for taxation		(31,174,531)	(25,314,024)	(13,632,505)	(6,994,301)
<b>Profit after taxation</b>		<b>134,592,167</b>	<b>152,198,441</b>	<b>68,799,958</b>	<b>85,241,268</b>
Other comprehensive income		-	-	-	-
Items that may be reclassified subsequently to profit or loss account		-	-	-	-
Items that will not be reclassified subsequently to profit or loss account		-	-	-	-
Actuarial gain / loss	3.2.1	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>134,592,167</b>	<b>152,198,441</b>	<b>68,799,958</b>	<b>85,241,268</b>
<b>Earnings per share - basic and diluted</b>		<b>7.28</b>	<b>8.24</b>	<b>3.72</b>	<b>4.61</b>

The annexed explanatory notes from 1 to 11 form integral part of the condensed interim financial information.



**Haroon Shahzada Ellahi Shaikh**  
Director

Lahore: February 25, 2014



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



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	<b>Half Year Ended</b>	
	<b>December 31</b>	<b>December 31</b>
	<b>2013</b>	<b>2012</b>
	<b>.....Rupees.....</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	165,766,698	177,512,465
Adjustments for:		
Depreciation on property, plant and equipment	41,845,796	40,412,894
Provision for employee benefits	7,833,162	6,719,076
Gain on disposal of property, plant and equipment	(87,510)	(625,138)
Gain on disposal of short term investments	(70,331)	(103,161)
Finance cost	36,005,237	42,160,640
Profit on deposits	(4,268)	(1,415)
	85,522,086	88,562,896
	251,288,784	266,075,361
Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(14,999,227)	(20,713,438)
Stock-in-trade	(112,388,474)	(43,817,697)
Trade debts	(1,062,108)	(30,769,937)
Advances	4,248,726	(37,232,334)
Short-term prepayments	(1,436,975)	(769,470)
Other receivables	558,073	1,478,388
Sales tax refundable	(27,015,084)	(4,152,240)
	(152,095,069)	(135,976,728)
Increase in current liabilities		
Trade and other payables	23,218,223	4,070,490
	(128,876,846)	(131,906,238)
<b>Cash generated from operations</b>	<b>122,411,938</b>	<b>134,169,123</b>
Finance cost paid	(37,053,417)	(48,429,134)
Employee benefits paid	(3,150,472)	(2,773,530)
Income taxes paid	(26,808,916)	(26,101,591)
<b>Net cash from operating activities</b>	<b>55,399,133</b>	<b>56,864,868</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(59,096,946)	(1,971,898)
Proceeds from disposal of property, plant and equipment	476,496	1,225,000
Long term deposits	-	163,350
Purchase of short term investment	(25,000,000)	(65,000,000)
Proceeds from disposal of short term investment	25,070,331	65,181,723
Profit on deposits	4,268	1,415
<b>Net cash used in investing activities</b>	<b>(58,545,851)</b>	<b>(400,410)</b>



# PROSPERITY WEAVING MILLS LTD.

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Half Year Ended	
	December 31 2013	December 31 2012
	.....Rupees.....	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	23,260,503	30,000,000
Repayment of long term finances	(42,060,902)	(92,576,927)
Increase in short term borrowings	97,271,676	28,121,522
Dividends paid	(110,070,912)	(45,877,025)
<b>Net cash used in financing activities</b>	<b>(31,599,635)</b>	<b>(80,332,430)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(34,746,353)</b>	<b>(23,867,972)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>67,455,289</b>	<b>56,129,305</b>
<b>Cash and cash equivalents at end of the period</b>	<b>32,708,936</b>	<b>32,261,333</b>

The annexed explanatory notes from 1 to 11 form integral part of the condensed interim financial information.

Lahore: February 25, 2014

  
Haroon Shahzada Ellahi Shaikh  
Director

  
Shaukat Ellahi Shaikh  
Mg. Director (Chief Executive)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	Issued, Subscribed and paid up share capital	Capital reserve	Accumulated profit	Total
	-----Rupees-----			
<b>Balance as at June 30, 2012 (Audited)</b>	184,800,000	16,600,000	359,426,846	560,826,846
<b>Comprehensive income</b>				
Profit after taxation	-	-	152,198,441	152,198,441
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	152,198,441	152,198,441
<b>Transactions with owners</b>				
Final dividend for the year ended June 30, 2012 @ 25% i.e. Rs. 2.50 per ordinary share	-	-	(46,200,000)	(46,200,000)
<b>Balance as at December 31, 2012 (Un-audited)</b>	184,800,000	16,600,000	465,425,287	666,825,287
<b>Comprehensive income</b>				
Profit after taxation	-	-	190,374,960	190,374,960
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	190,374,960	190,374,960
<b>Balance as at June 30, 2013 (Audited)</b>	184,800,000	16,600,000	655,800,247	857,200,247
<b>Comprehensive income</b>				
Profit after taxation	-	-	134,592,167	134,592,167
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	134,592,167	134,592,167
<b>Transactions with owners</b>				
Final dividend for the year ended June 30, 2013 @ 60% i.e. Rs.6.00 per ordinary share	-	-	(110,880,000)	(110,880,000)
<b>Balance as at December 31, 2013 (Un-audited)</b>	<u>184,800,000</u>	<u>16,600,000</u>	<u>679,512,414</u>	<u>880,912,414</u>

The annexed explanatory notes from 1 to 11 form integral part of the condensed interim financial information.

Lahore: February 25, 2014

  
**Haroon Shahzada Ellahi Shaikh**  
Director

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



# PROSPERITY WEAVING MILLS LTD.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

### 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 Stock Exchange Limited and Lahore 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 half year ended December 31, 2013 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, 2013. Comparative balance sheet is extracted from annual audited financial statement for the year ended June 30, 2013, 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 half year ended December 31, 2012.
- 2.3 The condensed interim financial information is 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 ACCOUNTING POLICIES AND ESTIMATES

- 3.1 These financial statements have been prepared under historical cost convention modified by:
- revaluation of land
  - financial instruments at fair value
  - recognition of certain employee retirement benefits at present value
- 3.2 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, 2013 except as disclosed in note 3.2.1

#### 3.2.1 Change in accounting policy

During the current period, the Company has changed its accounting policy in respect of post-retirement defined benefit plan as required under IAS 19, "Employee Benefits" (Revised 2011). According to the new policy, all actuarial gains and losses are recognized in Other Comprehensive Income (OCI) in the periods in which they occur. Amounts recorded in profit and loss account are limited to current and past service cost, gain or loss on settlement and net interest income or expense. All other changes in the net defined benefit obligations are recognized in OCI with no subsequent recycling through profit and loss account. Previously, the Company was recognizing all actuarial gains / losses in the profit and loss account.

The effect of such change is considered immaterial to this condensed interim financial information as a whole, so no impact has been taken.

- 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, 2013.

	Un-audited December 31 2013	Audited June 30 2013
	-----Rupees-----	
<b>4 LONG TERM FINANCES</b>		
<b>From Banking Companies</b>		
Opening balance	298,222,125	430,796,461
Obtained during the period / year	23,260,503	50,000,000
Repayments made during the period / year	(42,060,902)	(182,574,336)
	<u>279,421,726</u>	<u>298,222,125</u>
Less: Current portion shown under current liabilities	84,121,806	84,121,806
	<u>195,299,920</u>	<u>214,100,319</u>
<b>5 CONTINGENCIES AND COMMITMENTS</b>		
<b>5.1 Contingencies</b>		
There is no significant change in the status of contingencies as disclosed in the financial statement for the year ended June 30, 2013.		
	Un-audited December 31 2013	Audited June 30 2013
	-----Rupees-----	
<b>5.2 Commitments</b>		
<b>Irrevocable letters of credit for import of</b>		
Capital expenditures	413,555,460	20,787,520
Non-capital expenditures	87,086,459	9,089,098
	<u>500,641,919</u>	<u>29,876,618</u>
<b>Operating Lease</b>		
Payable with in one year	275,000	539,000
Payable later than one year but not later than five years	45,833	183,333
	<u>500,962,752</u>	<u>30,598,951</u>
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (note 6.1)	808,093,605	826,217,945
Capital work in progress	35,093,516	107,012
	<u>843,187,121</u>	<u>826,324,957</u>
<b>6.1 Operating fixed assets - Owned</b>		
Opening written down value	826,217,945	809,717,455
Additions during the period / year		
Residential Building	-	1,419,360
Plant and machinery	21,948,798	65,254,344
Electric installation	-	7,185,249
Factory equipment	380,000	494,373
Furniture and fittings	-	93,017
Office equipment	340,350	211,300
Arms and Ammunition	163,074	-
Vehicles	1,278,220	28,391,173
	<u>24,110,442</u>	<u>103,048,816</u>
Written down value of property, plant and equipment disposed off	(388,986)	(2,993,068)
Depreciation charged during the period/year	(41,845,796)	(83,555,258)
Written down value at end of the period/year	<u>808,093,605</u>	<u>826,217,945</u>

7 COST OF SALES	Half Year Ended (Un-audited)		Quarter Ended (Un-audited)	
	December 31	December 31	December 31	December 31
	2013	2012	2013	2012
	.....Rupees.....		.....Rupees.....	
Raw material consumed	2,573,741,177	2,294,117,522	1,214,066,371	1,221,829,612
Fuel and power	277,052,466	212,566,628	129,593,939	111,138,311
Salaries, wages and benefits	117,059,120	104,304,291	60,718,037	56,290,941
Stores and spares consumed	31,421,681	29,148,227	19,235,230	16,993,253
Sizing material consumed	52,623,826	47,545,828	25,506,599	25,932,036
Depreciation	38,062,373	38,870,065	19,209,903	19,749,930
Packing material consumed	10,969,139	9,430,088	5,512,011	4,818,514
Insurance	4,580,006	4,530,618	2,331,969	2,172,928
Repairs and maintenance	2,722,486	2,810,839	1,346,439	1,616,988
Electricity duty	778,849	1,139,388	269,719	425,801
Vehicles running and maintenance	2,682,579	2,527,109	1,279,768	1,197,244
Ijarah rentals	-	218,168	-	-
Traveling and conveyance	222,371	212,315	128,661	112,680
Lease rentals-land	137,496	137,496	68,748	68,748
Fee and subscription	128,023	174,532	47,400	100,000
Entertainment	548,249	543,167	267,525	286,284
Others	3,841,060	1,482,749	1,613,310	667,531
	3,116,570,901	2,749,759,030	1,481,195,629	1,463,400,801
Work-in-process:				
At beginning of period	77,257,447	78,121,186	95,889,659	76,777,426
At end of period	(75,541,130)	(84,664,619)	(75,541,130)	(84,664,619)
	1,716,317	(6,543,433)	20,348,529	(7,887,193)
	3,118,287,218	2,743,215,597	1,501,544,158	1,455,513,608
Finished stocks:				
At beginning of period	176,726,378	121,718,813	185,482,146	164,675,146
Cloth purchased	2,499,118	3,968,476	129,279	1,843,422
At end of period	(249,753,881)	(137,253,847)	(249,753,881)	(137,253,847)
	(70,528,385)	(11,566,558)	(64,142,456)	29,264,721
	3,047,758,833	2,731,649,039	1,437,401,702	1,484,778,329

## 8 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise 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:

Nature of Relationship	Nature of Transaction	Half Year Ended (Un-audited)	
		December 31	December 31
		2013	2012
		.....Rupees.....	
Associated companies	Purchase of goods and services	748,943,591	747,929,807
	Sale of goods and services	132,592	1,006,502
	Dividend paid	33,475,698	13,948,208
Key Management Personnel	Remuneration and other benefits	6,166,509	4,504,521
	Dividend paid to directors and their close family members	63,651,378	26,522,145

Transaction with related parties are carried out at arm's length in the normal course of business. The consideration is computed on commercial terms and conditions.

There are no balances with related parties as at the reporting date.



## PROSPERITY WEAVING MILLS LTD.

### 9 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on February 25, 2014.

### 10 OTHERS

There are no other significant activities since June 30, 2013 affecting the interim financial information.

### 11 CORRESPONDING FIGURES

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

Figures have been rounded off to the nearest rupee.

Lahore: February 25, 2014

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

**Haroon Shahzada Ellahi Shaikh**  
Director

A handwritten signature in black ink, appearing to read 'Shaukat'.

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

**BOOK POST**

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