

**HALF YEARLY REPORT
FOR THE PERIOD ENDED
DECEMBER 31, 2014
(Un-Audited)**



PROSPERITY WEAVING MILLS LTD.



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PROSPERITY WEAVING MILLS LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Shaikh Enam Ellahi Mr. Hasan Ahmed Mr. Javaid Bashir Sheikh Mr. Shahzada Ellahi Shaikh Mr. Shafqat Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh Mr. Shaukat Ellahi Shaikh Mr. Tariq Zafar Bajwa	Non-Executive Director / Chairman Independent Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Executive Director Executive Director
MANAGING DIRECTOR (Chief Executive)	Mr. Shaukat Ellahi Shaikh	
AUDIT COMMITTEE	Mr. Hasan Ahmed Mr. Shaikh Enam Ellahi Mr. Haroon Shahzada Ellahi Shaikh Mr. Syed Mohsin Gilani	Chairman Member Member Secretary
HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE	Mr. Haroon Shahzada Ellahi Shaikh Mr. Shafqat Ellahi Shaikh Mr. Tariq Zafar Bajwa Mr. Muhammad Azam	Chairman Member Member Secretary
EXECUTIVE COMMITTEE	Mr. Shaikh Enam Ellahi Mr. Shahzada Ellahi Shaikh Mr. Shaukat Ellahi Shaikh Mr. Shafqat Ellahi Shaikh Mr. Muhammad Azam	Chairman Member Member Member Secretary
CORPORATE SECRETARY	Mr. Syed Mohsin Gilani	
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. 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	
WEB REFERENCE	www.nagina.com	
SHARE REGISTRAR	M/s Hameed Majeed Associates (Pvt.) Ltd. 1 st 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, 2014 duly reviewed by the auditors. The comparative figures for the corresponding half year ended on December 31, 2013 are included for comparison, except in balance sheet where figures are for the year ended on June 30, 2014.

Company Performance

The Company earned profit after tax of Rs.4,988,317 or 0.16% of sales compared to Rs.135,063,481 or 4.05% (re-stated) for the corresponding similar period of previous year. Earning per share (EPS) for the half year is Rs.0.27 compared to Rs.7.31 (re-stated) for the corresponding similar period of previous year.

In the completed half year fabric unit prices continued to remain under pressure. Steep fall in cotton and synthetic fibre prices forced buyers to reduce their orders. Costs also kept rising mainly due to government announced policies, rising energy prices, salaries and wages. All these factors contributed to lower profitability of the company.

Sales revenue for the half year is Rs.3,128,521,780 compared to Rs.3,336,611,089 showing decrease of 6.24% over the corresponding period. The gross profit (G.P) for the half year is Rs.138,183,231 (4.42% of sales) compared to Rs.289,323,570 (8.67% of sales) (re-stated) for the corresponding period of previous year.

Distribution cost for the half year is Rs.51,036,149 (1.63% of sales) compared to Rs.45,752,629 (1.37% of sales) showing increase of 11.55% over the corresponding period. Administrative expenses are at Rs.32,982,743 (1.05% of sales) compared to Rs.29,232,850 (0.88% of sales) showing increase of 12.83% over the corresponding period. Increases in these costs were due to general inflation.

Finance costs have increased by 32.22% over the corresponding period of last year. This is mainly on account of rise in debt servicing cost of long term loans taken for the expansion/balancing, modernisation and replacement (BMR) of production capacity.

Despite all odds the Company has been able to generate stable cash flows and discharged all its operating and financial liabilities in time.

Future Outlook

Weaving business has experienced a difficult financial environment due to strong competition from competing countries causing fall in unit prices of greige fabrics. Sharp fall in international and Pakistani raw cotton prices contributed to fall in unit prices of greige fabrics. Customers reported that they are carrying large stocks of greige fabrics due to low demand from garment factories. Continued load shedding of gas and electricity disrupted production and also increased the cost of electricity. Use of expensive substitutes of gas to produce electricity and steam severely affected profitability of the Company. Labour costs have also risen sharply as the Government raised the minimum wage. Sharp fall in the value of the Euro is likely to reduce demand for Pakistani textiles in Europe. All these factors have created an uncertain environment for the textile industry in general and weaving sector in particular.

The Company has invested in new weaving machines which are energy and labour efficient to reduce the operating costs. 88 of the proposed 128 machines have been installed. Sharp fall in the prices of furnace oil has created an opportunity for the Company to reduce its energy cost. State Bank of Pakistan has reduced the discount rate to 8.5%. It is hoped that further reduction in the interest rates will occur and help the Company to improve profits. In future Company's ability to produce better 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 Board of Directors is cognizant of these facts and strives to take all necessary steps to protect the interests of the Company.

In order to diversify the income source of the Company, Board of Directors approved investment upto Rs.250 million in stock markets and financial instruments.

Acknowledgement

In spite of tough business environment profitable 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, 2015

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, 2014, 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, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

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 information 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 information as of and for the half year ended December 31, 2014 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, 2015
Multan



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2014

	Un-Audited December 31 2014	Audited June 30 2014 (Restated)	Audited June 30 2013 (Restated)
	Note	-----Rupees-----	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (June 30, 2014: 20,000,000)			
Ordinary shares of Rs. 10 each	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid up capital	<u>184,800,000</u>	184,800,000	184,800,000
Capital reserve	<u>16,600,000</u>	16,600,000	16,600,000
Accumulated profit	<u>635,709,106</u>	724,536,909	655,620,436
Total equity	<u>837,109,106</u>	<u>925,936,909</u>	<u>857,020,436</u>
SURPLUS ON REVALUATION OF LAND	37,182,634	37,182,634	37,182,634
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances	4 <u>1,093,738,747</u>	<u>628,484,046</u>	<u>214,100,319</u>
Employees retirement benefits	<u>59,095,255</u>	51,444,502	39,000,140
Deferred taxation	<u>23,277,589</u>	<u>23,277,589</u>	<u>23,798,161</u>
	<u>1,176,111,591</u>	703,206,137	276,898,620
CURRENT LIABILITIES			
Trade and other payables	<u>273,098,657</u>	<u>221,967,280</u>	<u>201,679,943</u>
Accrued interest / mark-up	<u>26,704,304</u>	14,509,830	12,276,384
Short term borrowings	<u>329,718,807</u>	307,204,833	304,198,925
Current portion of long term finances	<u>111,394,529</u>	89,108,234	84,121,806
	<u>740,916,297</u>	632,790,177	602,277,058
TOTAL LIABILITIES	<u>1,917,027,888</u>	<u>1,335,996,314</u>	<u>879,175,678</u>
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES	<u>2,791,319,628</u>	<u>2,299,115,857</u>	<u>1,773,378,748</u>

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

Lahore: February 25, 2015

Shahzada Ellahi Shaikh
Director



PROSPERITY WEAVING MILLS LTD.

	Un-Audited December 31 2014	Audited June 30 2014 (Restated)	Audited June 30 2013 (Restated)
Note	-----Rupees-----		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6 1,721,878,428	1,396,314,418	826,324,957
Long term deposits	15,039,000	15,039,000	15,039,000
	1,736,917,428	1,411,353,418	841,363,957
CURRENT ASSETS			
Stores, spare parts and loose tools	53,160,674	53,614,902	38,885,526
Stock-in-trade	426,711,985	387,775,917	461,869,544
Trade debts	370,566,992	245,148,605	250,831,357
Advances	24,547,698	20,653,925	24,990,478
Short term prepayments	2,851,495	1,550,025	1,172,837
Other receivables	1,911,153	1,377,529	1,833,862
Sales tax refundable	74,780,558	111,380,286	54,598,739
Advance income tax	62,112,890	35,221,998	30,377,159
Cash and bank balances	37,758,755	31,039,252	67,455,289
	1,054,402,200	887,762,439	932,014,791
TOTAL ASSETS	<u>2,791,319,628</u>	<u>2,299,115,857</u>	<u>1,773,378,748</u>

The annexed explanatory notes from 1 to 11 form integral 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 HALF YEAR ENDED DECEMBER 31, 2014

	Half Year Ended		Quarter Ended	
	December 31 2014	December 31 2013 (Restated)	December 31 2014	December 31 2013 (Restated)
Rupees.....	Rupees.....	
Sales-net	3,128,521,780	3,336,611,089	1,695,829,129	1,582,845,349
Cost of sales	7 (2,990,338,549)	(3,047,287,519)	(1,619,237,776)	(1,439,323,831)
Gross profit	138,183,231	289,323,570	76,591,353	143,521,518
Distribution cost	(51,036,149)	(45,752,629)	(23,885,900)	(19,454,733)
Administrative expenses	(32,982,743)	(29,232,850)	(20,573,103)	(17,878,627)
Other operating expenses	(1,448,885)	(12,335,610)	(1,279,875)	(6,159,388)
	(85,467,777)	(87,321,089)	(45,738,878)	(43,492,748)
	52,715,454	202,002,481	30,852,475	100,028,770
Other income	48,893	240,768	48,893	165,754
Operating profit	52,764,347	202,243,249	30,901,368	100,194,524
Finance cost	(47,604,543)	(36,005,237)	(28,022,089)	(19,684,190)
Profit before taxation	5,159,804	166,238,012	2,879,279	80,510,334
Provision for taxation	(171,487)	(31,174,531)	(171,487)	(13,632,505)
Profit after taxation	4,988,317	135,063,481	2,707,792	66,877,829
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)	(1,416,120)	-	(708,060)	-
Total comprehensive income for the period	3,572,197	135,063,481	1,999,732	66,877,829
Earnings per share - basic and diluted	0.27	7.31	0.15	3.62

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

Shahzad Ellahi Shaikh
Director

Lahore: February 25, 2015

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half Year Ended	
	December 31 2014	December 31 2013 (Restated)
Rupees.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,159,804	166,238,012
Adjustments for:		
Depreciation on property, plant and equipment	65,369,143	41,845,796
Provision for employees retirement benefits	10,426,818	7,833,162
Loss / (Gain) on disposal of property, plant and equipment	1,013,148	(87,510)
Gain on disposal of short term investments	(48,893)	(70,331)
Finance cost	47,604,543	36,005,237
Profit on deposits	-	(4,268)
	<u>124,364,759</u>	<u>85,522,086</u>
	129,524,563	251,760,098
Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	454,228	(14,999,227)
Stock-in-trade	(38,936,068)	(112,859,788)
Trade debts	(125,418,387)	(1,062,108)
Advances	(3,893,773)	4,248,726
Short-term prepayments	(1,301,470)	(1,436,975)
Other receivables	(533,624)	558,073
Sales tax refundable	36,599,728	(27,015,084)
	<u>(133,029,366)</u>	<u>(152,566,383)</u>
Increase in current liabilities		
Trade and other payables	50,248,563	23,218,223
	<u>(82,780,803)</u>	<u>(129,348,160)</u>
Cash generated from operations	46,743,760	122,411,938
Finance cost paid	(35,410,069)	(37,053,417)
Employees retirement benefits paid	(4,192,185)	(3,150,472)
Income taxes paid	(27,062,379)	(26,808,916)
Net cash (used in) / from operating activities	(19,920,873)	55,399,133
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(395,653,301)	(59,096,946)
Proceeds from disposal of property, plant and equipment	3,707,000	476,496
Purchase of short term investment	(20,000,000)	(25,000,000)
Proceeds from disposal of short term investment	20,048,893	25,070,331
Profit on deposits	-	4,268
Net cash used in investing activities	(391,897,408)	(58,545,851)



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half Year Ended	
	December 31 2014	December 31 2013 (Restated)
Rupees.....	
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	529,601,899	23,260,503
Repayment of long term finances	(42,060,903)	(42,060,902)
Increase in short term borrowings	22,513,974	97,271,676
Dividends paid	(91,517,186)	(110,070,912)
Net cash generated from / (used in) financing activities	418,537,784	(31,599,635)
Net increase / (decrease) in cash and cash equivalents	6,719,503	(34,746,353)
Cash and cash equivalents at beginning of the period	31,039,252	67,455,289
Cash and cash equivalents at end of the period	37,758,755	32,708,936

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

Lahore: February 25, 2015

Shahzada Ellahi Shaikh
Director

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)



PROSPERITY WEAVING MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Issued, Subscribed and paid up share capital	Capital reserve	Accumulated profit	Total
Note	-----Rupees-----			
Balance as at June 30, 2013 - Audited	184,800,000	16,600,000	655,800,247	857,200,247
Change in accounting policy			(179,811)	(179,811)
Balance as at June 30, 2013 - Audited (restated)	184,800,000	16,600,000	655,620,436	857,020,436
Comprehensive income				
Profit after taxation (restated)	-	-	135,063,481	135,063,481
Other comprehensive income-net of tax	-	-	-	-
Total comprehensive income (restated)	-	-	135,063,481	135,063,481
Transactions with owners				
Final dividend for the year ended June 30, 2013 @ 60% i.e. Rs. 6.00 per ordinary share	-	-	(110,880,000)	(110,880,000)
Balance as at December 31, 2013 - Un-Audited (restated)	184,800,000	16,600,000	679,803,917	881,203,917
Comprehensive income				
Profit after taxation(restated)	-	-	47,354,005	47,354,005
Other comprehensive income-net of tax	-	-	(2,621,013)	(2,621,013)
Total comprehensive income (restated)	-	-	44,732,992	44,732,992
Balance as at June 30, 2014 - Audited (restated)	184,800,000	16,600,000	724,536,909	925,936,909
Comprehensive income				
Profit after taxation	-	-	4,988,317	4,988,317
Other comprehensive income-net of tax	-	-	(1,416,120)	(1,416,120)
Total comprehensive income	-	-	3,572,197	3,572,197
Transactions with owners				
Final dividend for the year ended June 30, 2014 @ 50% i.e. Rs.5.00 per ordinary share	-	-	(92,400,000)	(92,400,000)
Balance as at December 31, 2014 - Un-Audited	184,800,000	16,600,000	635,709,106	837,109,106

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

Shahzada Ellahi Shaikh
Director

Lahore: February 25, 2015

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, 2014

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 half year ended December 31, 2014 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, 2014. Comparative balance sheet is extracted from annual audited financial statement for the year ended June 30, 2014, 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, 2013.
- 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 This condensed interim financial information has 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, 2014 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 determination of cost of raw material. The raw material which was previously valued on the basis of "first in first out" is now valued on "Weighted Average" cost basis. Management is of the view that this change will result in better presentation of the results and the financial position of the company. The change has been applied retrospectively adjusting accumulated profits as at June 30, 2013 and June 30, 2014. Had there been no change, accumulated profits as at the reporting date would have been higher by Rs.600,167.

- 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, 2014.



PROSPERITY WEAVING MILLS LTD.

	Un-Audited December 31 2014	Audited June 30 2014
	-----Rupees-----	
4 LONG TERM FINANCES		
From Banking Companies		
Opening balance	717,592,280	298,222,125
Obtained during the period / year	529,601,899	503,491,961
Repayments made during the period / year	(42,060,903)	(84,121,806)
	<u>1,205,133,276</u>	<u>717,592,280</u>
Less: Current portion shown under current liabilities	111,394,529	89,108,234
	<u><u>1,093,738,747</u></u>	<u><u>628,484,046</u></u>
5 CONTINGENCIES AND COMMITMENTS		
5.1 Contingencies		
There is no significant change in the status of contingencies as disclosed in the financial statement for the year ended June 30, 2014.		
5.2 Commitments		
Irrevocable letters of credit for import of		
Capital expenditures	186,925,066	279,540,405
Non-capital expenditures	71,617,017	61,479,410
	<u>258,542,083</u>	<u>341,019,815</u>
Operating Lease		
Payable within one year	45,833	483,333
Payable later than one year but not later than five years	-	-
	<u>258,587,916</u>	<u>341,503,148</u>
6 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (note 6.1)	1,348,147,478	831,044,977
Capital work in progress	368,976,707	560,866,998
Advance for intangible asset - computer software	4,754,243	4,402,443
	<u>1,721,878,428</u>	<u>1,396,314,418</u>
6.1 Operating fixed assets - Owned		
Opening written down value	831,044,977	826,217,945
Additions during the period / year		
Factory Building	78,189,447	2,785,828
Plant and machinery	506,442,929	83,190,540
Factory equipment	-	2,150,070
Furniture and fittings	-	125,700
Office equipment	838,138	1,127,242
Arms and Ammunition	-	163,074
Vehicles	1,721,278	8,519,619
	<u>587,191,792</u>	<u>98,062,073</u>
Written down value of property, plant and equipment disposed off	(4,720,148)	(9,557,613)
Depreciation charged during the period/year	(65,369,143)	(83,677,428)
Written down value at end of the period/year	<u>1,348,147,478</u>	<u>831,044,977</u>

	Half Year Ended (Un-Audited)		Quarter Ended (Un-Audited)	
	December 31	December 31	December 31	December 31
	2014	2013	2014	2013
	(Restated)		(Restated)	
Rupees.....	Rupees.....	
7 COST OF SALES				
Raw material consumed	2,388,091,134	2,573,269,863	1,234,250,201	1,215,988,500
Fuel and power	334,743,161	277,052,466	153,845,479	129,593,939
Salaries, wages and benefits	148,506,464	117,059,120	75,603,328	60,718,037
Stores and spares consumed	25,651,288	31,421,681	14,603,704	19,235,230
Sizing material consumed	57,846,197	52,623,826	30,381,071	25,506,599
Depreciation	61,857,290	38,062,373	33,089,968	19,209,903
Packing material consumed	11,520,108	10,969,139	6,031,459	5,512,011
Insurance	4,203,263	4,580,006	1,833,060	2,331,969
Repairs and maintenance	4,897,056	2,722,486	3,492,780	1,346,439
Electricity duty	980,955	778,849	471,892	269,719
Vehicles running and maintenance	2,640,229	2,682,579	1,387,119	1,279,768
Traveling and conveyance	270,544	222,371	132,840	128,661
Lease rentals-land	137,496	137,496	68,748	68,748
Fee and subscription	191,618	128,023	103,000	47,400
Entertainment	501,179	548,249	231,407	267,525
Others	2,817,030	3,841,060	965,706	1,613,310
	3,044,855,012	3,116,099,587	1,556,491,762	1,483,117,758
Work-in-process:				
At beginning of period	75,367,952	77,257,447	101,750,174	95,889,659
At end of period	(96,587,318)	(75,541,130)	(96,587,318)	(75,541,130)
	(21,219,366)	1,716,317	5,162,856	20,348,529
	3,023,635,646	3,117,815,904	1,561,654,618	1,503,466,287
Finished stocks:				
At beginning of period	196,906,966	176,726,378	288,157,592	185,482,146
Cloth purchased	1,485,613	2,499,118	1,115,242	129,279
At end of period	(231,689,676)	(249,753,881)	(231,689,676)	(249,753,881)
	(33,297,097)	(70,528,385)	57,583,158	(64,142,456)
	2,990,338,549	3,047,287,519	1,619,237,776	1,439,323,831

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:

Nature of Relationship	Nature of Transaction	Half Year Ended (Un-Audited)	
		December 31	December 31
		2014	2013
.....Rupees.....			
Associated companies	Purchase of goods and services	825,706,959	748,943,591
	Sale of goods and services	155,075	132,592
	Dividend paid	27,896,415	33,475,698
Key Management Personnel	Remuneration and other benefits	8,714,370	6,166,509
	Dividend paid to directors and their close family members	53,045,315	63,651,378

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.



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, 2015.

10 OTHERS

There are no other significant activities since June 30, 2014 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, 2015

Shazada Ellahi Shaikh
Director

Shaukat Ellahi Shaikh
Mg. Director (Chief Executive)

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