

**PARAMOUNT SPINNING MILLS LIMITED**  
**CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2005**

**30 SEP. 2005**  
**RUPEES**

**CASH FLOW FROM OPERATING ACTIVITIES**

Profit before taxation	8,638,566
<b>Adjustments for:</b>	
Depreciation	17,399,368
Provision for gratuity (net)	67,138
Gain on diminution in value of investment	(551,002)
Dividend income	1,764,640
Interest income	(2,240,958)
Financial charges	29,151,975
	45,591,161
<b>Operating profit before working capital changes</b>	<b>54,229,727</b>
<b>Movement in working capital (Increase) / decrease in current assets</b>	
Stores, spares and loose tools	2,789,098
Stock in trade	77,247,303
Trade receivables	(36,228,993)
Loans and Advances	9,979,982
Trade deposits and prepayments	(2,530,484)
Other receivables	(4,310,348)
	46,946,558
<b>Increase / (decrease) in current liabilities</b>	<b>(18,583,817)</b>
Creditors, accruals and other liabilities	
<b>Working capital changes</b>	<b>28,362,741</b>
<b>Cash generated from operations</b>	<b>82,592,468</b>
Financial charges paid	(21,522,132)
Income taxes paid	(6,234,958)
<b>Net cash inflow from operating activities</b>	<b>54,835,378</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Fixed capital expenditure	(37,113,562)
Interest income received	2,521,457
Long term loans and deposits	1,194,142
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(33,397,963)</b>

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**CASH FLOW FROM FINANCING ACTIVITIES**

Repayment of redeemable capital	(20,000,000)
Repayment of liabilities against assets subject to finance lease	(2,668,568)
Addition to lease	879,000
Short term borrowings	12,273,058
<b>Net cash outflow from financing activities</b>	<b>(9,516,510)</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>11,920,905</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>57,738,442</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>69,659,347</b>

The annexed notes form an integral part of these accounts.

**TANVEER AHMED**  
**Chief Executive**

**MOHAMMAD ABDULLAH**  
**Director**