

PARAMOUNT SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2005

	Share Capital	Share Premium	General Reserve	Reserve for Bonus Shares	Un- appropriated Profit	Share Holders Equity
Balance as at 01-07-05	105,000,000	15,400,000	160,000,000		53,293,672	333,693,672
Reserve for Bonus shares				5,250,000	(5,250,000)	-
Profit for the 1st quarter ended Sep. 30, 2005	-	-	-		5,716,557	5,716,557
Balance as at 30-09-05	105,000,000	15,400,000	160,000,000	5,250,000	53,760,229	339,410,229

The annexed notes form an integral part of these accounts.

NOTES TO THE ACCOUNTS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2005

1. NATURE AND SCOPE OF BUSINESS

Paramount Spinning Mills Limited (the company) was incorporated as a Public Limited Company and its shares are listed on Karachi and Lahore Stock Exchanges in Pakistan. The Company is principally engaged in manufacturing and sale of yarn, cloth and garments and home textile products.

2. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the financial statements for the period ended on 30 September, 2005 are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2005.

These financial statements have been prepared in accordance with the requirements of Companies Ordinance, 1984 and the International Financial Reporting Standard (IAS 34) "Interim Financial Reporting" as applicable in Pakistan. Where the requirements of the Companies Ordinance, 1984 or the directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of this standard, the requirements of the Companies Ordinance, 1984 or the requirements of the said directive take the precedence.

3. PRESENTATION

All amounts are shown in Rupees.

All figures appearing in the financial statements except 30 June, 2005 are un-audited.

PARAMOUNT SPINNING MILLS LIMITED

AS	AT
30-09-2005	30-06-2005

4. SHARE CAPITAL

Authorized Capital				
12,500,000 Ordinary shares of Rs.10/- each	125,000,000			125,000,000
<hr style="border-top: 3px double #000;"/>				
Issued, subscribed and paidup capital				
2,700,000 Ordinary shares of Rs.10/- each fully paid in cash	27,000,000			27,000,000
7,800,000 Ordinary shares of Rs.10/- each issued as fully paid bonus shares	78,000,000			78,000,000
<hr style="border-top: 3px double #000;"/>				
10,500,000	105,000,000			105,000,000
<hr style="border-top: 3px double #000;"/>				

5. CONTINGENT LIABILITIES AND COMMITMENTS

5.01 CONTINGENT LIABILITIES

There is no change in contingent liabilities as disclosed in the annual accounts of June 30, 2005.

	In million	In million
5.02 COMMITMENTS		
Irrevocable Letters of Credit	9.587	11.756
Civil works	2.200	2.600
<hr style="border-top: 3px double #000;"/>		
	11.787	14.356
<hr style="border-top: 3px double #000;"/>		

6. OPERATING FIXED ASSETS

FIXED ASSETS	(UNAUDITED) SEPTEMBER 30, 2005	
	ADDITIONS	DELETIONS / TRANSFER
OWNED		
Land	-	-
Plant & Machinery	34,795,335	-
Factory Equipments	-	-
Office Equipemnts	125,320	-
Vehicles	879,000	-
Furniture & Fixtures	273,619	-
Electric Installation	-	-
LEASED		
Vehicles	879,000	-
<hr style="border-top: 3px double #000;"/>		
TOTAL	36,952,274	-
<hr style="border-top: 3px double #000;"/>		

PARAMOUNT SPINNING MILLS LIMITED

30 SEP. 2005
RUPEES

7. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

a) Sales	33,062,249
b) Purchases	28,885,473

7.01 All material transactions with related parties are at arm's length.

8. DIVIDEND

Board of Directors has proposed 5% stock dividend (Share. 1 per 20 shares) for the year ended 30 June, 2005 which was approved by the members in their Annual General Meeting held on 29 October, 2005.

9. FINANCIAL STATEMENTS AUTHORIZATION

These financial statements have been authorized for the issue on 31 October, 2005 by Board of Directors of the Company.

As per directives of SECP the Comparative figures of the previous quarter are not given in this statement.

TANVEER AHMED
Chief Executive

MOHAMMAD ABDULLAH
Director