

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.