

**PARAMOUNT SPINNING MILLS LIMITED  
DIRECTORS REVIEW TO THE SHAREHOLDERS  
FOR THE FIRST QUARTER ENDED 30-9-2006.**

Dear Shareholders,  
Assalam-o-Alaikum,

Your Directors are please to place before you the unaudited financial statements for the 1<sup>st</sup> quarter of the year ended 30-9-2006.

The sale during the period under review was Rs. 455 million and profit before tax is Rs. 4.675 million which comes to Rs. 1.114 million after tax.

In our Director's Report to the Shareholders for the fiscal June 30, 2006 we brought quite elaborately to your notice the difficulties, which the textile industry as a whole particularly the Garment sector is facing. Due to reduced cotton harvest of around 12 million, which increase its cost, the increase in markup due to economic measure adopted by the SBP to arrest the inflation, the increase in all other inputs like Gas labour etc. Since then no significant change has emerged nor the Government inspite of repeated approaches by the Association granted subsidy or facility. As a consequence of which nothing can be predicted about the future performance viz a viz profitability. In spite of such unfavorable circumstances your Management is adopting all possible efforts to reduce the cost of production without compromising on the quality of the end product by constantly modernizing and balancing each sector of production Unit.

The Management place on record the efforts and endeavors made by the employees at all levels and assistance by our financiers.

(TANVEER AHMED)  
CHIEF EXECUTIVE

Karachi  
31-10-2006