

**1ST QUARTERLY ACCOUNTS
FOR THREE MONTHS ENDED
SEPTEMBER 30,2023
(UN AUDITED)**

PARAMOUNT SPINNING MILLS LIMITED

PARAMOUNT SPINNING MILLS LIMITED

CONTENTS

	PAGE #
COMPANY INFORMATION	2
DIRECTOR'S REVIEW REPORT	3
BALANCE SHEET	4
PROFIT AND LOSS ACCOUNT	5
STATEMENT OF COMPREHENSIVE INCOME	6
CASH FLOW STATEMENT	7
STATEMENT OF CHANGES IN EQUITY	8
NOTES TO THE ACCOUNTS	9-13

PARAMOUNT SPINNING MILLS LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Muhammad Akhtar Mirza (Chairman) Mr. Sohail Maqsood (Chief Executive) Mr. Muhammad Ashraf Khan Mr. Abid Sattar Mr. Muhammad Arif Mrs. Zarqa Asif Mr. Muhammad Junaid
AUDIT COMMITTEE	Mr. Muhammad Junaid (Chairman) Mr. Abid Sattar Mr. Muhammad Akhtar Mirza
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Muhammad Arif (Chairman) Mr. Abid Sattar Mr. Muhammad Akhtar Mirza
CHIEF FINANCIAL OFFICER	Mr. Nasir Mahmood
COMPANY SECRETARY	Mr. Muhammad Ijaz
AUDITORS	M/s. Malik Haroon Shahid Safder & Co. Chartered Accountants. Lahore
LEGAL ADVISOR	Akhtar Javed-Advocate
SHARE REGISTRAR OFFICE	M/s. Hameed Majeed Associates (Pvt) Ltd. Karachi Chamber Hasrat Mohani Road Karachi Ph. 32424826, 32412754, Fax. 32424835
REGISTERED OFFICE	2nd Floor Finlay House I.I. Chundrigar Road, Karachi
REGIONAL OFFICE	2nd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore
WEB PRESENCE	http://www.gulshan.com.pk/corporate/paramount.html

PARAMOUNT SPINNING MILLS LIMITED

Director's Report to Shareholders

The Directors of your Company are pleased to present unaudited financial statements of the Company for the first quarter ended September 30, 2023

Financial Results

Operating indicators	First Quarter Ended September 30, 2023 (Rupees)	First Quarter Ended September 30, 2022 (Rupees)
Sales	-	-
Gross profit / (loss)	-	-
Pre Tax profit / (loss)	(504,142)	(1,069,192)
Provision for Taxation	-	-
Earnings / (loss) Per Share	(0.03)	(0.06)

Overview:

A Scheme of arrangement under section 279 to 283 and 285 of the Companies Act 2017 ("Scheme of Arrangement") was filed before Sindh High Court at Karachi vide J.C.M. Petition No. 05/19. The Sindh High Court vide its order dated October 25, 2019, sanctioned the Scheme of Arrangement which is being implemented. The Assets of the company were sold by the Asset sale committee constituted by court comprising of five leading financial institutions, however the pending litigation with the Banks by and against the company is being withdrawn in terms of the Scheme of Arrangement


Future Outlook:

The Company is very hopeful that with restructuring and settlement of amounts, the pending issues with financial institutions will be resolved, the financial health of the Company will be improved which will enable the Company to focus on new profitable avenues.

Acknowledgement:

The Board wishes to place on record its appreciation for the employees members of management team for their efforts, commitment and hard work during this tough time.

LAHORE


SOHAIL MAQSOOD
CHIEF EXECUTIVE

Dated:

PARAMOUNT SPINNING MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 30 SEPTEMBER 2023

	NOTE	30 SEPT 2023 (Unaudited) Rupees	30 JUNE 2023 (Audited) Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	5	5,061,473	5,195,532
Loans and advances		40,000	50,000
Tax refund due from Government		16,034,465	16,034,466
Cash and bank balances		4,403,588	4,403,586
Total Assets		25,539,526	25,683,584
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
25,000,000 (30 June 2019: 25,000,000) ordinary shares of Rs.10/- each		250,000,000	250,000,000
Share Capital		173,523,290	173,523,290
Reserves		475,400,000	475,400,000
Sub-ordinate Loan		175,000,000	175,000,000
(Accumulated loss) / unappropriated profit		(1,427,406,473)	(1,426,902,331)
		(603,483,183)	(602,979,041)
Non Current Liabilities			
Loan from associates and other parties		583,900,891	583,900,891
Post employment benefits payables		2,361,765	2,421,765
Trade and other payables		41,641,217	41,221,133
Unclaimed dividend		1,118,836	1,118,836
		629,022,709	628,662,625
Contingencies and Commitments	6		
Total equity and liabilities		25,539,526	25,683,584

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.



SOHAIL MAQSOOD
CHIEF EXECUTIVE


ABID SATTAR
DIRECTOR

PARAMOUNT SPINNING MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

	NOTE	QUARTER ENDED	
		2023	2022
		----- Rupees -----	
Sales		-	-
Cost of sales		-	-
Gross (loss) / profit		-	-
Administrative expenses		(504,142)	(1,070,729)
Other operating income		-	2,001
(Loss) / profit from Operations		(504,142)	(1,068,728)
Finance cost		-	(464)
(Loss) / profit before taxation		(504,142)	(1,069,192)
Taxation		-	-
(Loss) / profit after taxation		(504,142)	(1,069,192)
		Rupees	
(Loss) / earnings per share		(0.03)	(0.06)

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.


SOHAIL MAQSOOD
CHIEF EXECUTIVE


ABID SATTAR
DIRECTOR

PARAMOUNT SPINNING MILLS LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

	QUARTER ENDED	
	2023	30-Sep 2022
Loss after taxation	(504,142)	(1,069,192)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(504,142)</u>	<u>(1,069,192)</u>

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.


 SOHAIL MAQSOOD
 CHIEF EXECUTIVE


 ABID SATTAR
 DIRECTOR

PARAMOUNT SPINNING MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

	NOTE	30 SEPT 2023	30 SEPT 2022
Rupees			
CASH FLOWS FROM OPERATING ACTIVITIES	7	60,000	(910,132)
Cash generated from operations			
Finance cost paid		-	(464)
Interest received		-	2,001
Gratuity paid		(60,000)	(99,200)
Net cash used in operating activities		-	(1,007,795)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from associates and other parties- net		-	689,999
Net cash generated from financing activities		-	689,999
Net (decrease) / increase in cash and cash equivalents		-	(317,796)
Cash and cash equivalents - at beginning of the year		4,403,588	4,958,180
Cash and cash equivalents - at end of the year		4,403,588	4,640,384

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.


SOHAIL MAQSOOD
CHIEF EXECUTIVE



ABID SATTAR
DIRECTOR

PARAMOUNT SPINNING MILLS LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

	General Reserve			sub-ordinated loan	Total	
	Share Capital	Share Premium	General reserve			Accumulated losses
----- Rupees -----						
Balance as at 01 July 2022	173,523,290	15,400,000	460,000,000	(1,420,477,308)	175,000,000	(596,554,018)
Total Comprehensive loss for the three months ended September 30,2022		-	-	(1,069,192)		(1,069,192)
Surplus on revaluation of operating fixed assets realised during the period : - on account of incremental depreciation for the period		-	-	(1,069,192)	-	(1,069,192)
Balance as at 30 September 2022	173,523,290	15,400,000	460,000,000	(1,421,546,500)	175,000,000	(597,623,210)
Balance as at 01 July 2023	173,523,290	15,400,000	460,000,000	(1,426,902,331)	175,000,000	(602,979,041)
Total Comprehensive loss for the three months ended September 30,2023		-	-	(504,142)		(504,142)
Surplus on revaluation of operating fixed assets realised during the period : - on account of incremental depreciation for the period		-	-	(504,142)	-	(504,142)
Balance as at 30 September 2023	173,523,290	15,400,000	460,000,000	(1,427,406,473)	175,000,000	(603,483,183)

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.


 SOHAIL MAQSOOD
 CHIEF EXECUTIVE


 ABID SATTAR
 DIRECTOR

PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

1. THE COMPANY

1.1 Paramount Spinning Mills Limited (the Company) was incorporated as a public limited Company on August 22, 1981 and its shares are listed on Karachi and Lahore Stock Exchanges (now Pakistan Stock Exchange Limited). The registered office is located at Finlay House, I.I. Chundrigar Road, Karachi.

1.2 Scheme of arrangement with secured creditors

The Company along with its restructuring agent - United Bank Limited and majority of the lending financial institutions had signed a "Scheme of Arrangement" dated March 13, 2019 under sections 279 to 283 read with section 285 of the Companies Act, 2017 ("the Act"). The Scheme of Arrangement was sanctioned by the Hon'ble High Court of Sindh at Karachi vide order dated October 25, 2019, passed in J. C. M. Petition No. 5 of 2019. The Scheme of Arrangement, after its sanctioning by the Court became binding on the Company, along with all the shareholders, creditors, stakeholders and any other regulatory / statutory bodies of/ or with respects to the Company. Under the Scheme of Arrangement, the existing financial obligations / liabilities of the Company towards the secured creditors had to be settled by way of sale of moveable and immovable charged assets of the Company, distribution of the sale proceeds among the secured creditors and withdrawal of all pending litigations. Asset sale committee, pursuant to the terms of scheme of arrangement has sold all charged assets and proceeds thereof have been distributed among the secured creditors and lenders for the balances due to them. The pending litigations filed by and against the Company are now being withdrawn in accordance with terms of the scheme of arrangement.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 237 of the Companies Act, 2017. It 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2023.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are same as those applied in the preparation of preceding audited annual financial statements of the Company for the year ended June 30, 2023.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

Estimation and judgements made by the management in the preparation of this condensed interim financial information were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2023.

5. PROPERTY, PLANT AND EQUIPMENT		Un-audited September 30, 2023	Audited June 30, 2023
	Note	----- (Rupees) -----	
Operating fixed assets	5.1	5,061,474	5,195,532
		<u>5,061,474</u>	<u>5,195,532</u>
5.1 Operating fixed assets			
Book value at beginning of the period / year		5,195,532	5,835,209
Depreciation charge for the period / year		(134,058)	(639,677)
Book value at end of the period / year		<u>5,061,474</u>	<u>5,195,532</u>
6. CONTINGENCIES AND COMMITMENTS			
6.1 Contingencies			
There is no change in the matter detailed in note 16.1 to 16.12 to the Company's published annual financial statements for the year ended June 30, 2023.			
6.2 Commitments			
There is no change in the matter as detail in note 16.13 to the Company's published annual financial statements for the year ended June 30, 2023.			
7. CASH GENERATED FROM OPERATIONS			
	Note	Quarter ended September 30, 2023	September 30, 2022
		----- (Rupees) -----	
(Loss) / profit before taxation		(504,142)	(1,069,192)
Adjustments for non-cash charges and other items			
Depreciation of operating fixed assets		134,057	161,189
Finance cost		-	464
Interest income		-	(2,001)
Working capital changes	7.1	430,085	(592)
		<u>60,000</u>	<u>(910,132)</u>
7.1 Movement in working capital			
(Increase) / decrease in current assets:			
Loans and advances		10,000	-
Other receivables		1	2,528
		<u>10,001</u>	<u>2,528</u>
Increase / (decrease) in trade and other payables		420,084	(3,120)
		<u>430,085</u>	<u>(592)</u>

8. RELATED PARTY TRANSACTIONS

8.1 The related parties comprises associated companies, directors and key management personnel. Transaction with related parties are carried out on arm's length basis. Aggregate transactions and balances with associated companies during the period was NIL.

9. GENERAL

9.1 Figures have been rounded off to the nearest rupee except stated otherwise.

9.2 This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on 31-10-23.


SOHAIL MAQSOOD
CHIEF EXECUTIVE


ABID SATTAR
DIRECTOR