

Paramount Spinning Mills Limited
Financial Statements
For the Year Ended June 30, 2025

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PARAMOUNT SPINNING MILLS LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Muhammad Akhtar Mirza (Chairman) Mr. Sohail Magsood (Chief Executive) Mr. Muhammad Ashraf Khan Mr. Abid Sattar Mr. Muhammad Arif Ms. Zarqa Asif Mr. Muhammad Junaid
AUDIT COMMITTEE	Mr. Muhammad Junaid (Chairman) Mr. Abid Sattar Mr. Muhammad Akhtar Mirza
HR & REMUNERATION COMMITTEE	Mr. Muhammad Arif (Chairman) Mr. Abid Sattar Mr. Muhammad Akhtar Mirza
CHIEF FINANCIAL OFFICER	Mr. Imran Aslam
COMPANY SECRETARY	Mr. Muhammad Ijaz
AUDITORS	M/s Malik Haroon Ahmad & Co Chartered Accountants Lahore
LEGAL ADVISOR	Mr. Akhtar Javed
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, 8Aibak Block, New Garden Town, Lahore.
WEB PRESENCE	http://www.gulshan.com.pk/corporate/paramount.html

Paramount Spinning Mills Limited

CORPORATE VISION / MISSION STATEMENT



Vision:

We aim to re-build the Company.



Mission:

To become again a quality manufacturer of textile products.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of **Paramount Spinning Mills Limited** (the "Company") will be held at 2nd Floor Finlay House, I.I. Chundrigar Road, Karachi on **Tuesday 28th October, 2025 at 11:15 a.m.** to transact the following business:

1. To confirm the minutes of the last Annual General Meeting of the Company.
2. To receive, consider and adopt the audited financial statements of the Company for the financial year ended on June 30, 2025 together with Directors' and Auditors' Reports thereon.
3. To appoint auditors of the company for the next financial year 2025-2026 and fix their remuneration. The retiring Auditors M/s Malik Haroon Ahmad & Co Chartered Accountants, being eligible, have offered themselves for reappointment as Auditors of the company.
4. To transact any other business with the permission of the Chairman.

By Order of the Board

Muhammad Ijaz

Company Secretary

Lahore:

October 07, 2025

NOTES:

- 1- The share transfer books of the company will remain closed and no transfer of shares will be accepted for registration from **21st October, 2025 to 28th October, 2025 (both days inclusive).**
- 2- A member entitled to attend and vote at the general meeting may appoint any other member as proxy in writing to attend the meeting and vote on his/her behalf. Duly completed form(s) of proxy must be deposited with the Company at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
- 3- CDC Account Holders are requested to bring with them their CNIC along with participant I.D & their account number at the time of meeting in order to facilitate identification. In case of corporate entity, a certified BOD resolution/ valid power of attorney with specimen signature of the nominee be produced at the time of meeting.
- 4- Members interested in attending this meeting through video link are requested to register themselves by submitting complete information via registered email to m.ijaz@gulshan.com.pk before the October 22, 2025
- 5- Members are requested to notify immediately changes of their addresses (if any) to our Shares Registrar M/s Hameed Majeed Associates (Pvt) Limited, Karachi Chamber, Hasrat Mohani Road, Karachi.

اطلاع دی جاتی ہے کہ پیرامونٹ اسپینگ ملز لمیٹڈ ("کمپنی") کا سالانہ اجلاس 2nd فلور فلئس ہاؤس، I.I.I. انڈسٹریل روڈ، کراچی بروز منگل 28 اکتوبر 2025 کو صبح 11:15 بجے میں منعقد ہوگا، درج ذیل کاروبار کے لیے:

1. کمپنی کی آخری سالانہ جنرل میٹنگ کے متلے کی تصدیق کرنا۔
2. 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آئٹ شدہ مالیاتی گوشواروں کو وصول کرنے، ان پر غور کرنے اور اس پر ڈائریکٹرز اور آئیٹرز کی رپورٹس کے ساتھ اپنانے کے لیے۔
3. اگلے مالی سال 2025-2026 کے لیے کمپنی کے آئیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ ریٹائر ہونے والے آئیٹرز میسرز ملک بارون احمد اینڈ کمپنی (سابقہ نام ملک بارون شاہد مسعود اینڈ کمپنی) چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی وجہ سے خود کو کمپنی کے آئیٹرز کے طور پر دوبارہ تقرری کے لیے پیش کیا ہے۔
4. چیئرمین کی اجازت سے کوئی دوسرا کاروبار کرنا۔

بورڈ کے حکم سے

محمد اعجاز

لاہور: کمپنی سیکرٹری

07 اکتوبر 2025

نوٹس:

1. کمپنی کی حصص کی منتقلی کی کتابیں بند رہیں گی اور 21 اکتوبر 2025 سے 28 اکتوبر 2025 تک (دونوں دن سمیت) رجسٹریشن کے لیے حصص کی کوئی منتقلی قبول نہیں کی جائے گی۔
2. جنرل میٹنگ میں شرکت اور ووٹ دینے کا حقدار ممبر کسی دوسرے ممبر کو تحریری طور پر میٹنگ میں شرکت کرنے اور اپنی طرف سے ووٹ دینے کے لیے پراکسی مقرر کر سکتا ہے۔ پراکسی کے باضابطہ طور پر مکمل کیے گئے فارم کو کمپنی کے رجسٹرڈ آفس میں میٹنگ کے لیے مقررہ وقت سے 48 گھنٹے پہلے کمپنی کے پاس جمع کرانا چاہیے۔
3. سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ شناخت میں سہولت کے لیے میٹنگ کے وقت اپنا شناختی کارڈ اور شریک شناختی کارڈ اور اکاؤنٹ نمبر اپنے ساتھ لائیں۔ کارپوریٹ ادارے کی صورت میں، میٹنگ کے وقت ایک تصدیق شدہ BOD ریزولوشن/امیلے کے دستخط کے ساتھ درست پاور آف اٹارنی پیش کیا جائے۔
4. ویٹو لنک کے ذریعے اس میٹنگ میں شرکت میں دلچسپی رکھنے والے ممبران سے درخواست ہے کہ وہ 22 اکتوبر 2025 سے پہلے m.ijaz@gulshan.com.pk پر رجسٹرڈ ای میل کے ذریعے مکمل معلومات جمع کر کے خود کو رجسٹر کریں۔
5. اراکین سے درخواست ہے کہ وہ اپنے پتے کی تبدیلیوں (اگر کوئی ہیں) کو فوری طور پر ہمارے شیڈولڈ رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کراچی چیمبر، حسرت موہانی روڈ، کراچی کو مطلع کریں۔

PARAMOUNT SPINNING MILLS LIMITED

CHAIRMAN REVIEW

It is my privilege to serve as a chairman of Board of Directors of M/S Paramount Spinning Mills Limited (the "Company"). I would like to thank our esteemed shareholders for entrusting me for guiding directions of the company.

The year marked a significant transition for the company with successfully implementation of the Scheme of Arrangement sanctioned by the Honorable Sindh High Court under section 279 of the Companies Act 2017. Following the Scheme of Arrangement all assets were sold and company has repositioned its self by commencing trading and other service activities. We will continue to explore opportunities in the textile sector and focus on the stabilizing and gradually growing this line of business. I take this opportunity to to thank our shareholders for their confidence and support during this period of change.

ACKNOWLEDGEMENTS

The performance of our Board and the services render by the management and staff of the Company is appreciated.



Muhammad Akhtar Mirza

Lahore: - Oct-06-2025

پیرامونٹ اسپننگ ملز لمیٹڈ

چیئرمین کا جائزہ

M/S Paramount Spinning Mills Limited ("کمپنی") کے بورڈ آف ڈائریکٹرز کے چیئرمین کے طور پر خدمات انجام دینا میرے لیے اعزاز کی بات ہے۔ میں اپنے معزز شیئر ہولڈرز کا شکریہ ادا کرنا چاہوں گا کہ انہوں نے مجھے کمپنی کی رہنمائی کی ذمہ داری سونپی۔ کمپنیز ایکٹ 2017 کے سیکشن 279 کے تحت معزز سندھ ہائی کورٹ کی جانب سے منظور شدہ انتظامات کی اسکیم پر کامیابی کے ساتھ عمل درآمد کے ساتھ سال کمپنی کے لیے ایک اہم تبدیلی کا نشان ہے۔ اسکیم آف اریجنمنٹ کے بعد تمام اثاثے فروخت کر دیئے گئے اور کمپنی نے ٹریڈنگ اور دیگر خدماتی سرگرمیاں شروع کر کے اپنی جگہ تبدیل کر دی۔ ہم ٹیکسٹائل کے شعبے میں مواقع تلاش کرنا جاری رکھیں گے اور کاروبار کی اس لائن کو مستحکم اور بتدریج بڑھانے پر توجہ مرکوز کریں گے۔ میں تبدیلی کے اس دور میں اپنے حصص یافتگان کے اعتماد اور تعاون کے لیے ان کا شکریہ ادا کرنے کے لیے اس موقع کو استعمال کرتا ہوں۔

اعترافات

ہمارے بورڈ کی کارکردگی اور کمپنی کی انتظامیہ اور عملہ کی طرف سے فراہم کی جانے والی خدمات کو سراہا جاتا ہے۔


محمد اختر مرزا

لاہور:- اکتوبر-06-2025



Paramount Spinning Mills Limited

2nd Floor Finlay House I.I. Chundrigar Road,
Karachi (Pakistan)

Director's Report to Shareholders

The Directors of the Company are pleased to place their report together with the Auditor's Report and audited Financial Statements of the Company for the year ended June 30, 2025 at the Annual General Meeting of Company.

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, the same has been implemented. The Assets of the company were sold by the Asset sale committee constituted by court comprising of five leading financial institutions, the pending litigation with the Banks by and against the company has been withdrawn in terms of the Scheme of Arrangement.

Operating & Financial Performance

Operating indicators	2025	2024
	(Rupees)	(Rupees)
Sales	-	-
Cost of Sales	-	-
Financial cost	(7,467)	(4,778)
Pre tax Profit/ (Loss)	39,137,130	14,899,601
Provision for taxation	-	813,600
Profit/(Loss) after taxation	39,137,130	14,086,001

Future Outlook

Following the implementation of the Scheme of arrangement under which all assets of the Company have been sold by the Asset Sale committee comprising of Banks in terms of the Scheme of Arrangement. The company has realigned its operations and commercial trading and other service. The board remained focus on delivering this line of business and endeavor to sustain operations and generate value for the shareholders.



Paramount Spinning Mills Limited

2nd Floor Finlay House I.I. Chundrigar Road,
Karachi (Pakistan)

Auditors' Observations

- The auditor has shown their reservation that they have not received the confirmation directly from the Banks to them as per their normal audit procedure, which is due to pending litigation with banks.

Corporate Governance

The Company has been complying with the rules & regulations of Securities and Exchange Commission of Pakistan and has implemented better internal control policies with more rigorous checks and balances.

Board meetings and attendance

Four (4) meetings of the Board of Directors were held and attendance thereof by each director is as follows:

Name of Director	No of meeting attended
Mr. Muhammad Akhtar Mirza	4
Mr. Sohail Maqsood	4
Mr. Muhammad Junaid	4
Mr. Muhammad Ashraf Khan	4
Mrs. Zarqa Asif	3
Mr. Abid Sattar	4
Mr. Muhammad Arif	3

Leaves of absence were granted to the members who could not attend the meetings.

Audit Committee

The Board of Directors of the Company in compliance with the Code of Corporate Governance has established an Audit Committee. Four (4) meetings of the Audit Committee were held and attendance thereof by each member is as follows:

Mr. Muhammad Junaid	4
Mr. Abid Sattar	4
Mr. Muhammad Akhtar Mirza	4

HR & Remuneration Committee

The Board of Directors of the Company in compliance with the Code of Corporate Governance has also established HR & Remuneration Committee. The names of its members are given in the Company information.

Internal Audit Function

The Board has implemented a sound and effective internal control system including operational, financial and compliance controls to carry on the business of the Company in a controlled environment in an efficient manner to address the Company's basic objectives.



Paramount Spinning Mills Limited

2nd Floor Finlay House I.I. Chundrigar Road,
Karachi (Pakistan)

Internal audit findings are reviewed by the Audit Committee, where necessary, action taken on the basis of recommendations contained in the internal audit reports.

Corporate Governance & Financial Reporting Framework

As required by the code of corporate governance, directors are pleased to report that:

- The financial statements prepared by the Management of the Company present fairly its true state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International accounting standards, as applicable in Pakistan have been followed in preparation of financial statements.
- The system of internal control is sound and has been effectively implemented and monitored.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the stock exchange.
- Key operating and financial data for the last six years is annexed.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2025 except for those disclosed in the financial statements.
- No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year to which this Balance Sheet relates and the date of the Directors' Report, except for those disclosed in the financial statements.

Earnings/Loss per Share

The earning per share of the Company for the period ended June 30, 2025 was Rs. 2.26 as compared to the previous year of Rs.0.81.

Dividends

Due to circumstances discussed above, the Board of Directors does not recommend dividend for the year ended on June 30, 2025.

Code of Conduct

The code of conduct has been developed and has been communicated and acknowledged by each Director and Employee of the company.

Corporate Social Responsibility

The company is responsible corporate citizen and fully recognizes its responsibility towards community, employees and environment.

Web presence

Annual and periodical financial statements of the Company are also available on the Company website <http://www.gulshan.com.pk/corporate/paramount.html> for information of the shareholders and others.

Related Party Transactions

The transactions between the related parties were made at Arm's Length prices determined in accordance with the "comparable uncontrolled price method". The Company has fully complied with the best practices on transfer pricing as contained in the listing regulations of stock exchange in Pakistan.



Paramount Spinning Mills Limited

2nd Floor Finlay House I.I. Chundrigar Road,
Karachi (Pakistan)

Trading in Company's Shares

During the year under review, there is no trading in shares of the Company by the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouse and minor children.

Statement on Value of Staff Retirement Benefit

As on June 30, 2025 deferred liability for gratuity is Rs 2,241,765 /-

Auditors

M/s Malik Haroon Ahmad & Co., Chartered Accountants being eligible have offered themselves for re-appointment. The Audit Committee has also recommended their appointment as External Auditors of the Company for the next financial year 2025-2026.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2025 including the information under the code of corporate of governance is annexed.

Acknowledgement

The Board wishes to place on record its appreciation for the employees, members of management team for their efforts, commitment and hard work and to the shareholders who have accepted the Scheme of Arrangement in the meeting held pursuant to the orders of the Sindh High Court.

MUHAMMAD AKHTAR MIRZA
CHAIRMAN

Lahore
October 06, 2025

On behalf of the Board

SOHAIL MAQSOOD
CHIEF EXECUTIVE

پیراماؤنٹ اسپننگ ملز لمیٹڈ

شیئر ہولڈرز کو ڈائریکٹر کی رپورٹ

کمپنی کے ڈائریکٹرز اپنی رپورٹ کو کمپنی کی سالانہ جنرل میٹنگ میں 30 جون 2025 کو ختم ہونے والے سال کے لیے آڈیٹر کی رپورٹ اور کمپنی کے آڈٹ کیے گئے مالیاتی گوشواروں کے ساتھ رکھنے پر خوش ہیں۔

جائزہ

مالیاتی اداروں کے ساتھ قانونی چارہ جوئی نے کمپنی کو مجبور کیا کہ وہ اپنے قرض کی ذمہ داریوں کی تنظیم نو شروع کرے۔ تنظیم نو کا عمل کمپنی نے اہم قرض دینے والے مالیاتی اداروں کی مدد سے شروع کیا تھا۔ اس سلسلے میں کمپنیز ایکٹ 2017 کے سیکشن 279 تا 283 اور 285 کے تحت ایک اسکیم آف ارینجمنٹ (اسکیم آف ارینجمنٹ) پہلے ہی کراچی میں معزز سندھ ہائی کورٹ ("عدالت") کی طرف سے منظور کر چکی ہے۔ ری اسٹرکچرنگ ایجنٹ یعنی یونائیٹڈ بینک لمیٹڈ نے اس اسکیم کو عملی جامہ پہنایا ہے جیسا کہ عدالت کی طرف سے منظوری دی گئی ہے۔ بندوبست کی اسکیم کے مطابق کمپنی کے قرض دہندگان کے ذریعہ تمام قانونی چارہ جوئی واپس لے لی گئی۔

ایریٹنگ اور مالیاتی کارکردگی

Operating indicators	2025	2024
	(Rupees)	(Rupees)
Sales	-	-
Cost of Sales	-	-
Financial cost	(7,467)	(4,778)
Pre tax Profit/ (Loss)	39,137,130	14,899,601
Provision for taxation	-	813,600
Profit/(Loss) after taxation	39,137,130	14,086,001

مستقبل کا آؤٹ لک

انتظام کی اسکیم کے نفاذ کے بعد جس کے تحت کمپنی کے تمام اثاثے بینکوں پر مشتمل اثاثہ فروخت کمپنی کے ذریعہ فروخت کئے گئے ہیں۔ کمپنی نے اپنے آپریشنز اور تجارتی ٹریڈنگ اور دیگر خدمات کو دوبارہ ترتیب دیا ہے۔ بورڈ کی توجہ اس لائن آف بزنس کی فراہمی پر مرکوز رہی اور آپریشنز کو برقرار رکھنے اور سینئر ہولڈرز کے لیے قدر پیدا کرنے کی کوشش کر رہا ہے۔

آڈیٹرز کے مشاہدات

کمپنی نے اسکیم آف ارینجمنٹ میں تمام بینکوں / مالیاتی اداروں کی طرف سے تصدیق شدہ رقم کے مطابق منسلک مالی بیان میں مارک اپ کی رقم مکمل طور پر فراہم کی ہے۔

آڈیٹر اپنی ریزرویشن صرف یہ ظاہر کرتا ہے کہ انہیں ان کے عام آڈٹ طریقہ کار کے مطابق بینکوں سے براہ راست تصدیق نہیں ملی ہے۔ تاہم، یہاں یہ بتانا ضروری ہے کہ منسلک مالیاتی بیان میں، قرض کی رقم اسکیم آف ارینجمنٹ سے لی گئی ہے جس کی تصدیق محفوظ قرض دہندگان نے کی تھی اور اسے عدالت میں پیش کیا گیا تھا۔

کارپوریٹ گورننس

کمپنی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے قواعد و ضوابط کی تعمیل کر رہی ہے اور مزید سخت چیک اینڈ بیلنس کے ساتھ بہتر اندرونی کنٹرول کی پالیسیوں پر عمل درآمد کر رہی ہے۔

بورڈ کے اجلاس اور حاضری

بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے اور ان میں ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

اجلاس میں شریک ڈائریکٹر کا نام نمبر

جناب محمد اختر مرزا 4

جناب سہیل مقصود 4

جناب محمد جنید 4

جناب محمد اشرف خان 4

مسز زرقا آصف 3

جناب عابد ستار 4

جناب محمد عارف 4

اجلاس میں شرکت نہ کرنے والے ارکان کو غیر حاضری کی چھٹی دے دی گئی۔

حساب کتاب کا گروہ

کمپنی کے بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے ایک آڈٹ کمیٹی قائم کی ہے۔ آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے اور ان میں ہر ممبر کی حاضری حسب ذیل ہے:

جناب محمد جنید 4

جناب عابد ستار 4

جناب محمد اختر مرزا 4

HR اور معاوضہ کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل میں کمپنی کے بورڈ آف ڈائریکٹرز نے HR اور معاوضے کی کمیٹی بھی قائم کی ہے۔ اس کے اراکین کے نام کمپنی کی معلومات میں دیے گئے ہیں۔

اندرونی آڈٹ فنکشن

بورڈ نے ایک مضبوط اور موثر اندرونی کنٹرول سسٹم نافذ کیا ہے جس میں کمپنی کے بنیادی مقاصد کو پورا کرنے کے لیے کمپنی کے کاروبار کو کنٹرول شدہ ماحول میں آگے بڑھانے کے لیے اپریشنل، مالیاتی اور تعمیل کنٹرول شامل ہیں۔

اندرونی آڈٹ کے نتائج کا آڈٹ کمیٹی جائزہ لیتی ہے، جہاں ضروری ہو، اندرونی آڈٹ رپورٹس میں موجود سفارشات کی بنیاد پر کارروائی کی جاتی ہے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ فریم ورک

جیسا کہ کارپوریٹ گورننس کے ضابطہ کی ضرورت ہے، ڈائریکٹرز یہ بتاتے ہوئے خوش ہیں کہ:

• کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حقیقی حالت، اس کے اپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتے ہیں۔

• کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔

• مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

• مالیاتی گوشواروں کی تیاری میں بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے۔ اندرونی کنٹرول کا نظام درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہونی ہے جیسا کہ اسٹاک ایکسچینج کے لسٹنگ کے ضوابط میں تفصیل سے بتایا گیا ہے۔
- پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- ٹیکسز، ڈیوٹی، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو کہ 30 جون 2025 تک بقایا ہیں سوائے ان مالیاتی گوشواروں کے جن کا انکشاف کیا گیا ہے۔
- مالیاتی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان آپ کی کمپنی کی مالی حالت کو متاثر کرنے والی کوئی بھی مادی تبدیلیاں اور وعدے نہیں ہونے ہیں، سوائے مالی بیانات میں ظاہر ہونے والے کے۔

فی شیئر آمدنی/ نقصان

30 جون 2025 کو ختم ہونے والی مدت کے لیے کمپنی کا فی حصص منافع / (نقصان 2.26 روپے تھا۔ پچھلے سال کے مقابلے میں 0.81 روپے تھا۔

منافع

اوپر بیان کردہ حالات کی وجہ سے، بورڈ آف ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈیویڈنڈ کی سفارش نہیں کرتا ہے۔

ضابطہ اخلاق

ضابطہ اخلاق تیار کیا گیا ہے اور کمپنی کے ہر ڈائریکٹر اور ملازم کی طرف سے اس سے آگاہ کیا گیا ہے اور اسے تسلیم کیا گیا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی ذمہ دار کارپوریٹ شہری ہے اور کمیونٹی، ملازمین اور ماحول کے انہیں اپنی ذمہ داری کو پوری طرح سے تسلیم کرتی ہے۔

ویب کی موجودگی

حصص یافتگان اور دیگر کی معلومات کے لیے کمپنی کے سالانہ اور متواتر مالی بیانات کمپنی کی ویب سائٹ <http://www.gulshan.com.pk/corporate/paramount.html> پر بھی دستیاب ہیں۔

متعلقہ پارٹی لین دین

متعلقہ فریقوں کے درمیان لین دین آرمز لینتھ قیمتوں پر کیے گئے تھے جن کا تعین "موازنہ ہے قابو قیمت کے طریقہ کار" کے مطابق کیا گیا تھا۔ کمپنی نے پاکستان میں اسٹاک ایکسچینج کے لسٹنگ کے ضوابط کے مطابق ٹرانسفر پرائسنگ کے بہترین طریقوں کی مکمل تعمیل کی ہے۔

کمپنی کے حصص میں تجارت

زیر نظر سال کے دوران، ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں کے ذریعے کمپنی کے شیئرز کی تجارت نہیں ہوتی ہے۔ اسٹاف ریٹائرمنٹ بینیفٹ کی قدر پر بیان

30 جون 2025 تک گریجویٹی کی موخر ذمہ داری ۱,۷65,241 روپے ہے۔

ڈیٹرز

میسرز ملک ہارون احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے اگلے مالی سال 2025-2026 کے لیے کمپنی کے بیرونی ڈیٹرز کے طور پر ان کی تقرری کی بھی سفارش کی ہے۔

شیئر ہولڈنگ کا نمونہ

30 جون 2025 تک شیئر ہولڈنگ کا پیٹرن جس میں کارپوریٹ اف گورننس کے کوڈ کے تحت معلومات شامل ہیں۔

اعتراف

بورڈ ملازمین، انتظامی ٹیم کے اراکین کو ان کی کوششوں، عزم اور محنت کے لیے اور ان شیئر ہولڈرز کی تعریف ریکارڈ پر رکھنا چاہتا ہے جنہوں نے سندھ ہائی کورٹ کے حکم کے مطابق منعقدہ میٹنگ میں انتظامات کی اسکیم کو قبول کیا۔

بورڈ کی جانب سے

سہیل مقصود

چیف ایگزیکٹو

محمد اختر مرزا

چئیرمین

لاہور

06 اکتوبر 2025



Paramount Spinning Mills Limited

2nd Floor, Finlay House, LI Chundrigarh Road,
Karachi (Pakistan)

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Year Ended

June 30, 2025

The Company has complied with the requirements of listed Companies (Code of Corporate Governance) Regulation, 2019 (the regulations) in the following manner:

- 1- The total number of directors is seven (including the Chief executive officer). The composition of the board is as follow.

Category	Names
Independent Director*	Mr. Muhammad Junaid, Muhammad Arif
Executive Directors	Mr. Sohail Maqsood, Mr. Muhammad Ashraf Khan
Non-Executive Directors	Mr. Muhammad Akhtar Mirza, Mr. Abid Sattar, Mrs. Zarqa Asif

* With reference to Regulation 6 (1), in a Board comprising 7 members, one-third works out to 2.33. Since the fraction is below half (i.e. 0.5) the fraction contained in such one-third is not rounded up to one. Further, the two elected independent directors have requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently, hence, appointment of a third independent director is not warranted. Furthermore, the independent directors are not selected from data bank.

2. The directors have confirmed that none of them is serving as a director in more than Seven listed companies, including this Company;
3. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
4. The Board has developed a Vision/Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained;
5. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations;
6. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated;
7. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
8. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment;
9. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board;



Paramount Spinning Mills Limited

2nd Floor , Finlay House ,LI Chundrigarh Road ,
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10. The Board has formed a committees, comprising of members are given below:-

A) Audit Committee

Mr. Muhammad Junaid	Chairman
Mr. Abid Sattar	Member
Mr. Muhammad Akhtar Mirza	Member

B) HR & Remuneration Committee

Mr. Muhammad Asif Akram	Chairman
Mr. Abid Sattar	Member
Mr. Muhammad Akhtar Mirza	Member

11. The term of reference of aforesaid committees have been formed, documented and advised to the committees for compliance;

12. The frequency of the meetings (quarterly / half yearly / annually) are as per following.

a) Audit Committee Four Meeting were held during the financial year with at least one meeting in each quarter.

b) HR & Remuneration Committee Four Meeting were held during the financial year.

13. The board has set up an effective internal audit function which is considered suitably qualified, experienced for the purpose and conversant with the policies and procedures of the Company;

14. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not the close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

15. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

16. We confirm that all requirements of the regulations 3, 6, 7 ,8, 27, 32, 33 and 36 of the regulations have been complied with, Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows:

Sr. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	The company has no nomination committee because all its mills' operations have been closed.




Paramount Spinning Mills Limited

2nd Floor , Finlay House ,I.I Chundrigarh Road ,
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Sr. No.	Non-Mandatory Requirement	Reg. No.	Explanation
2	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	The company has no risk management committee because all its mills' operations have been closed.
3	It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	19(1)	All mills operations has been closed. The Company may conduct training program before the next election of directors.

On behalf of the board of Directors


Chief Executive Officer
Lahore:- 06.10.2025


Chairman



MALIK HAROON AHMAD & CO.
(Formerly Malik Haroon Shahid Safdar & Co.)
Chartered Accountants

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**Independent Auditor's Review Report
To the Members of "Paramount Spinning Mills Limited"**

Review Report on the Statement of Compliance Contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Paramount Spinning Mills Limited for the year ended June 30, 2025, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

We draw attention to para 1 and para 16 to the Statement of Compliance, which describe that the Company had not appointed the independent directors from PICG data bank and the reasons for non-compliance with certain non-mandatory requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, respectively. Our conclusion is not modified in respect of this matter.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Lahore
October 06, 2025
UDIN: CR202510916BKWicdJGE

Malik Haroon Ahmad
Malik Haroon Ahmad & Co.
Chartered Accountants



Head Office: 25-G, Gulberg II, Lahore - 54660 Pakistan.
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INDEPENDENT AUDITOR'S REPORT
to the Members of Paramount Spinning Mills Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Paramount Spinning Mills Limited** (the Company), which comprise the statement of financial position as of **June 30, 2025**, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2025** and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

1. Due to non-availability of information, we were unable to satisfy ourselves regarding the existence and valuation of fixed assets having carrying amounting to Rs. 2.575 million.
2. We were unable to obtain sufficient appropriate audit evidence regarding bank balances amounting to Rs. 3.737 million out of total bank balance amounting to Rs. 7.685 million.
3. We were unable to satisfy ourselves regarding balances payable in respect of trade and other payables, unclaimed dividend and amounting to Rs. 17.386 million and Rs. 1.119 million, respectively.

Due to the lack of sufficient appropriate audit evidence in the areas mentioned above, we could not determine whether any adjustments might be necessary to these amounts and related disclosures in the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



Emphasis of Matter

We draw attention to notes 1.2 and 2.2 of the financial statements, which state that the Company along with its restructuring agent - United Bank Limited, and the majority of the lending financial institutions has signed a "Scheme of Arrangement" under sections 279 to 283 read with section 285 of the Companies Act, 2017 ("the Act") and the directors have determined that the going concern basis of preparation is no longer appropriate. Accordingly, the financial statements have been prepared on break-up value basis. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No	Matter	How the matter was addressed in our audit
1.	Contingencies and commitments	
	Refer to note 17 to the financial statements. The Company is facing litigation pertaining to claims filed by Government authorities concerning outstanding amounts owed. Given the nature and amount involved in such cases and the appellate forums at which these are pending the outcome and resultant accounting in financial statements are subject to significant judgment, which can change over time as new fact emerged and each legal case progresses, and therefore, we have identified this as key matter.	Our audit procedures included the following. <ul style="list-style-type: none"> • Read the terms of scheme of arrangement to ensure that all the conditions necessary for the withdrawal of these litigations have met. • Held discussions with the Company's legal counsel regarding the status of ongoing litigations and reviewed any cases that were withdrawn during the year. • Review legal and supporting documentation.

Information Other than the Financial Statements and Auditor's Report thereon;

Management is responsible for the other information. The Other Information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion, except for the matters stated in Basis for Qualified Opinion above:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Usher ordinance, 1980 (XVIII 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Nawaz**.

Lahore
October 06, 2025,
UDIN: AR202510916kMQHJSZEY


Malik Haroon Ahmad & Co.
Chartered Accountants



PARAMOUNT SPINNING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non - Current Assets			
Fixed assets	5	2,575,000	4,642,028
Investments in associated companies	6	-	-
		2,575,000	4,642,028
Current Assets			
Trade and other receivables	7	-	7,941,000
Short-term investments	8	-	-
Advances, deposits and prepayments	9	-	30,000
Tax refund due from Government	10	15,052,308	16,012,308
Cash and bank balances	11	8,381,717	12,145,059
		23,434,025	36,128,367
TOTAL ASSETS		26,009,025	40,770,395
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	173,523,290	173,523,290
Reserves		475,400,000	475,400,000
Accumulated losses		(1,373,679,200)	(1,412,816,330)
Loan from sponsors	13	148,512,600	175,000,000
Total equity		(576,243,310)	(588,893,040)
LIABILITIES			
Non - Current Liabilities			
Current liabilities			
Loan from associates and others	14	580,194,930	598,134,891
Post employment benefits payables	15	2,241,765	2,241,765
Trade and other payables	16	18,696,804	28,167,943
Unclaimed dividend		1,118,836	1,118,836
		602,252,335	629,663,435
CONTINGENCIES AND COMMITMENTS	17		
TOTAL EQUITY AND LIABILITIES		26,009,025	40,770,395

The annexed notes from 1 to 30 form an integral part of the financial statements

MHA & CU


Chief Executive


Chief Financial Officer


Director

PARAMOUNT SPINNING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Sales		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	18	(3,733,020)	(3,160,965)
Other income	19	44,767,352	18,065,344
		41,034,332	14,904,379
Profit from operations		41,034,332	14,904,379
Other operating expense	20	(670,624)	-
Finance cost	21	(7,467)	(4,778)
Profit before taxation and levies		40,356,241	14,899,601
Levy	22.1	(1,219,111)	(813,600)
Profit before taxation		39,137,130	14,086,001
Taxation	22.2	-	-
Profit after taxation		39,137,130	14,086,001
Profit per share - basic and diluted	23	2.26	0.81

The annexed notes from 1 to 39 form an integral part of the financial statements

MHA & CO

S. J. M.
Chief Executive

102/
Chief Financial Officer

Abid Sattar
Director

PARAMOUNT SPINNING MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Profit after taxation		39,137,130	14,086,001
Other comprehensive income		-	-
Total comprehensive income for the year		<u>39,137,130</u>	<u>14,086,001</u>

The annexed notes from 1 to 30 form an integral part of the financial statements

MHA & CO


Chief Executive


Chief Financial Officer


Director

PARAMOUNT SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Share capital	General Reserves			Sub - ordinated loan from directors	Total
		Share premium	General reserve	Accumulated losses		
Rupees						
Balance as at July 1, 2023	173,523,290	15,400,000	460,000,000	(1,426,902,331)	175,000,000	(502,979,041)
Profit for the year	-	-	-	14,086,001	-	14,086,001
Other comprehensive income	-	-	-	-	-	-
Balance as at June 30, 2024	173,523,290	15,400,000	460,000,000	(1,412,816,330)	175,000,000	(588,893,040)
Balance as at July 01, 2024	173,523,290	15,400,000	460,000,000	(1,412,816,330)	175,000,000	(588,893,040)
Profit for the year	-	-	-	39,137,130	-	39,137,130
Other comprehensive income	-	-	-	-	-	-
Balance as at June 30, 2025	173,523,290	15,400,000	460,000,000	(1,373,679,200)	175,000,000	(519,755,910)

The annexed notes from 1 to 30 form an integral part of the financial statements

MHA & CO


Chief Executive


Chief Financial Officer


Director

PARAMOUNT SPINNING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation and levies		40,356,241	14,899,601
Adjustments for non-cash charges and other items:			
Change in NRV of fixed assets		1,795,418	553,504
Finance cost		7,467	4,778
Interest income		(614,075)	(65,344)
Gain on disposal of Vehicle		(320,916)	-
Gain on settlement of investments		(19,332,361)	-
Profit before working capital changes		21,891,774	15,392,539
(Increase) / decrease in current assets:			
Trade and other receivables		7,941,000	(7,941,000)
Sales tax		960,000	31,960
Advances, deposits and prepayments		30,000	20,000
		8,931,000	(7,889,040)
Decrease in current liabilities:			
Trade and other payables		(9,471,139)	(13,053,190)
Cash generated from / (used in) operations		21,351,635	(5,549,691)
Finance cost paid		(7,467)	(4,778)
Interest received		614,075	65,344
Tax and levies paid		(1,219,111)	(823,402)
Staff retirement benefits - gratuity paid		-	(180,000)
Net cash generated from / (used in) operating activities		20,739,132	(6,492,527)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt from disposal of investment		-	-
Receipt from disposal of vehicle		592,526	-
Net cash generated from investing activities		592,526	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from sponsors		(10,000,000)	-
Loan from associates and other parties		(15,095,000)	14,234,000
Net cash generated from / (used in) financing activities		(25,095,000)	14,234,000
Net increase / (decrease) in cash and cash equivalents during the year		(3,763,342)	7,741,473
Cash and cash equivalents at the beginning of year		12,145,059	4,403,586
Cash and cash equivalents at the end of year	11	8,381,717	12,145,059

The annexed notes from 1 to 30 form an integral part of the financial statements

MHA & CO


Chief Executive


Chief Financial Officer


Director

PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Notes

1 LEGAL STATUS AND NATURE OF BUSINESS

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 of the Company is situated at 2nd Floor, Finlay House, I.I. Chundrigar Road, Karachi, Pakistan. The manufacturing facilities of the Company were located at Kotri and Raiwind. The Company was principally engaged in progressive manufacturing and sales of cotton yarn, garments and yarn dyeing.

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. This distribution constitutes full and final settlement of all liabilities of the company towards its secured creditors as contemplated under the Scheme. The pending litigations filed by and against the Company are now been withdrawn in accordance with terms of the scheme of arrangement.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with financial reporting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS's) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 including accounting standard on "Non Going Concern Basis of Accounting", provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

Due to the Scheme described in note 1.2 to these financial statements, the directors have determined that the going concern basis of preparation is no longer appropriate. Accordingly, the financial statements have been prepared on non going concern basis of accounting.

Under the non-going concern basis of accounting, assets are measured at their net realizable value, being the estimated amount expected to be realized from their sale, less costs to sell. Liabilities are measured at the amounts expected to be settled, considering the terms of settlement.

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PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Notes

2.3 Transition from other guidance on non going concern basis of accounting to accounting standard "Non Going Concern Basis of Accounting"

During the year, the Company adopted the accounting standard on "Non-Going Concern Basis of Accounting", replacing the earlier guidance applied in prior years. The transition is applied retrospectively; however, it has not resulted in any material adjustments.

The transition has resulted in following key changes in comparatives:

- **Fixed Assets:** Previously depreciated with depreciation charged to profit or loss. Management believed that the carrying value of these assets was not materially different from their net realizable value. Under the new standard, fixed assets are no longer depreciated; instead, changes in their net realizable value are recognized in statement of profit or loss.
- **Classification:** Previously, all assets and liabilities were designated as current. On adoption of the new standard, assets and liabilities are classified as current only if they meet the definition of current, and accordingly, certain items have been reclassified from current to non-current.

2.4 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All financial information presented in Pak Rupee has been rounded-off to the nearest Rupee except stated otherwise.

3 STANDARDS, AMENDMENTS AND IMPROVEMENTS APPLICABLE TO FINANCIAL STATEMENTS

New standards, amendments and improvements which are effective during the year and standards, amendments and improvements which are not yet effective

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2024 but, pursuant to paragraphs 2.2, above are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these financial statements. The standards, amends and improvements which are not yet effective are also not considered relevant and accordingly are not detailed in these financial statements.

4 MATERIAL ACCOUNTING POLICIES

4.1 Fixed Assets

Fixed assets are stated at their net realizable value, being the estimated amount expected to be realized from their sale, less costs to sell. No depreciation is charged. Changes in net realizable value are recognized in the statement of profit or loss. Addition in and disposal from fixed asset is accounted for in accordance with International Financial Reporting Standards.

4.2 Investments in equity instruments of associated companies

Investments in associated companies are measured at net realizable value, representing the estimated amount recoverable from disposal or realization. Any change in value is recognized in profit or loss.

4.3 Trade & Other receivables

Trade and other receivables are stated at their expected realizable value, after making provisions for expected credit loss where recovery is uncertain.

4.4 Short term investments

Short-term investments are carried at their net realizable value as at the reporting date. Gains or losses arising from changes in realizable value are recognized in profit or loss.

4.5 Tax Refund Due from Government

Tax refunds due from the government are carried at amounts considered recoverable, based on management's assessment of claims and related correspondence with tax authorities.

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PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Notes

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at face value. For the purpose of cash flow statement, cash and cash equivalents comprise of cash-in-hand and balances with banks.

4.7 Staff retirement benefits - gratuity

Post-employment benefit obligations are recognized at the amount payable to employees under the Company's gratuity schemes. The balance of gratuity liability at the reporting date represents the residual obligation under the discontinued scheme, which will be settled in once fund are available to Company. No new service cost, interest cost, or re-measurements are recognized subsequent to the discontinuation of the scheme.

4.8 Trade & other payables

Trade and other payables are carried at the amounts expected to be settled, considering contractual terms and conditions.

4.9 Taxation

Income tax expense represents the sum of current tax payable, adjustments, if any, to provision for tax made in previous years arising from assessments framed during the year for such years and deferred tax.

Current

Provision for current tax is recognized on the basis of taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred

No deferred tax is recognized, as the Company is no longer a going concern and the realization of deferred tax assets and settlement of deferred tax liabilities is not considered probable.

4.10 Provisions, contingent assets and contingent liabilities

are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is considered remote.

Contingent assets are not recognized in the financial statements. However, they are disclosed where the inflow of economic benefits is considered probable.

4.11 Financial assets and liabilities

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

4.12 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the balance sheet when there is a legally enforceable right to off-set the recognized amounts and there is an intention to settle either on a net basis, or to realize the asset and settle the liability simultaneously.

4.13 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Notes

4.14 Related party transactions

All related party transactions are carried out at mutually agreed terms. Transactions that are not at arm's length or lack clear commercial substance are undertaken with the approval of the Board of Directors.

4.15 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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 expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgements were exercised in application of accounting policies are as follows:

- (i) Determination of the net realizable value of assets and costs to sell.
- (ii) Estimation of amounts of liabilities expected to be settled.
- (iii) Provisions for current tax and recognition of refunds due from government.

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PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

5 FIXED ASSETS

2025				
Particulars	Furniture and fixtures	Office Equipment	Vehicles	Total
Opening NRV July 01, 2024	2,044,160	2,326,258	271,610	4,642,028
Addition during the year	-	-	-	-
Disposals during the year	-	-	(271,610)	(271,610)
Change in NRV	(894,160)	(901,258)	-	(1,795,418)
Closing NRV June 30, 2025	1,150,000	1,425,000	-	2,575,000

2024				
Particulars	Furniture and fixtures	Office Equipment	Vehicles	Total
Opening NRV July 01, 2023	2,271,289	2,584,731	339,512	5,195,532
Addition during the year	-	-	-	-
Disposals during the year	-	-	-	-
Change in NRV	(227,129)	(258,473)	(67,902)	(553,504)
Closing NRV June 30, 2024	2,044,160	2,326,258	271,610	4,642,028

5.1 Change in NRV is charged to administrative expenses.

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PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
6 INVESTMENTS IN ASSOCIATED COMPANIES			
Quoted			
Gulistan Spinning Mills Limited	6.1	-	-
6.1 Gulistan Spinning Mills Limited (GTSM)			
202,777 (2024: 202,777) ordinary shares of Rs 10 each- cost		-	2,346,250
Share of post acquisition losses		-	(2,346,250)
		-	-
GTSM is an associated company of the Company based on common directorship. The Company as on reporting date holds 0% of share capital of the GTSM (2024: 1.39%).			
During the year, the Company entered into agreement with related parties wherein the Company sold its entire holding of 202,777 ordinary shares in Gulistan Spinning Mills Limited (GTSM) to related parties against the loan payable to those parties. The agreed settlement value of the shares was Rs. 2,844,961. The carrying amount of this investment was nil at the date of settlement, resulting in a gain of Rs. 2,844,961 recognized in profit or loss.			
As at reporting date the shares have not yet been transferred into the names of the buyers in the Central Depository Company (CDC) records due to existing limitations and procedural constraints.			
7 TRADE AND OTHER RECEIVABLES			
Other receivables	7.1	-	7,941,000
7.1	These receivables are against the consultancy services provided during the year.		
8 SHORT-TERM INVESTMENTS			
The Company previously held 8.68% equity shares of Gulistan Textile Mills Limited (GTML) at a cost of Rs 1,648,740. In prior years, due to suspension of trading in GTML shares, operational and financial difficulties, and significant doubt over GTML's ability to continue as a going concern, the investment had been fully impaired.			
During the year, the Company entered into agreement with related parties wherein the Company sold its entire holding to related parties against the loan payable to those parties. The agreed settlement value of the shares was Rs. 16,487,400. As the carrying value of the investment at the date of settlement was nil, the entire amount has been recognized as a gain in profit or loss.			
As at reporting date the shares have not yet been transferred into the names of the buyers in the Central Depository Company (CDC) records due to existing limitations and procedural constraints.			
9 ADVANCES, DEPOSITS AND PREPAYMENTS			
Security deposit		-	30,000
Advance to employees		-	-
		-	30,000
10 TAX REFUND DUE FROM GOVERNMENT			
Advance income tax		252,568	252,568
Sales tax		14,799,740	15,759,740
		15,052,308	16,012,308

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PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
11 CASH AND BANK BALANCES			
Cash-in-hand		696,706	396,706
Balances with banks in:			
- current accounts		4,650,022	8,713,364
- deposit accounts		85,524	85,524
- term deposit receipts	11.1	2,949,465	2,949,465
		<u>8,381,717</u>	<u>12,145,059</u>
11.1	These are under lien with respect to guarantees provided by financial institutions to different Government departments.		
12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
Numbers	Numbers	Rupees	Rupees
Authorized capital			
25,000,000	25,000,000	Ordinary shares of Rs. 10 each	250,000,000
Issued, subscribed and paid-up capital			
2,700,000	2,700,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	27,000,000
14,652,329	14,652,329	Ordinary shares of Rs. 10 each issued as fully bonus shares	146,523,290
<u>17,352,329</u>	<u>17,352,329</u>		<u>173,523,290</u>
12.1	Ordinary share held by related parties at the year end:	2025	2024
	Gulistan Fibers Limited	<u>1,499,776</u>	<u>1,499,776</u>
13 LOAN FROM SPONSORS- unsecured			
Opening balance		175,000,000	175,000,000
Loan received during the year		-	-
Loan repaid during the year		(10,000,000)	-
Loan adjusted during the year	8	(16,487,400)	-
		<u>148,512,600</u>	<u>175,000,000</u>

This is an interest-free loan obtained from ex-chief executive and ex-director of the Company in previous years. The loan shall be repaid subject to availability of resources and at discretion of the Company. This loan has been classified in equity as per technical release 'Accounting Directors' Loan (TR-32) of the Institute of Chartered Accountants of Pakistan.

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PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
14 LOAN FROM ASSOCIATES AND OTHERS - Unsecured			
Gulistan Fibers Limited-Unsecured	14.1	136,665,638	136,665,638
Gulistan Power Generation		26,353,793	26,353,793
Interest free loan from other parties - unsecured	14.2	417,175,499	435,115,460
		<u>580,194,930</u>	<u>598,134,891</u>
14.1 Gulistan Fibers Limited- unsecured			
Balance at beginning of the year		136,665,638	136,665,638
Less: payments made during the year		-	-
		<u>136,665,638</u>	<u>136,665,638</u>
This loan was created in accordance with the settlement agreements dated December 30, 2013 executed between Silk Bank Limited (the Lender), Gulshan Spinning Mills Limited (an Associated Company), Gulistan Spinning Mills Limited (an Associated Company), Gulistan Fibers Limited (an Associated Company) and the Company. As per these agreements, short-term borrowings and outstanding bills payables aggregating Rs. 150.00 million of the Company were adjusted by the lender against mortgaged property of the Gulistan Fibers Limited, under the debt property swap arrangement. Accordingly, the Company has booked this loan as payable to Gulistan Fibers Limited by adjusting its short-term borrowings and bills payable.			
14.2 Interest free loans from other parties - unsecured			
Balance at beginning of the year		435,115,460	420,881,460
Add: funds received during the year		-	14,234,000
Less: repayments made		(15,095,000)	-
Less: adjustments	6	(2,844,961)	-
		<u>417,175,499</u>	<u>435,115,460</u>
These loans were advanced by the share holders of the company in order to finance working capital requirements and are payable on demand.			
15 POST EMPLOYMENT BENEFITS PAYABLES			
15.1 Movement in post employment benefits payable			
Net liability at beginning of the year		2,241,765	2,421,765
Add: charge to profit and loss account		-	-
Less: benefits paid / adjusted		-	(180,000)
Net liability at end of the year		<u>2,241,765</u>	<u>2,241,765</u>
16 TRADE AND OTHER PAYABLES			
Creditors		18,311,668	27,012,387
Accrued expenses		385,136	366,556
Other payables		-	789,000
		<u>18,696,804</u>	<u>28,167,943</u>

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PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
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17 CONTINGENCIES AND COMMITMENTS

Contingencies

Litigation with banks and financial institutions

The litigation with banks / financial institutions by and against the company is being withdrawn as the assets of the Company have been sold by the asset sale committee and proceeds thereof have been distributed to the secured creditors in manner as provided under the scheme. All cases by and against the company with financial institutions have been withdrawn.

Litigation with parties other than banks and financial institutions

17.1 The Company has not provided Rs. 3.00 million in respect of infrastructure cess levied by the Government of Sindh. Although the case was initially decided against the Company by a Single Judge of the Sindh High Court, a Division Bench granted a stay. The High Court later held that levy and collection of the cess prior to December 28, 2006, were illegal, but valid thereafter. Both the Company and the Government of Sindh filed appeals before the Supreme Court, which were disposed of in May 2011 with directions to first seek a decision from the High Court under the new law. During pendency, an interim arrangement allowed release of bank guarantees for consignments cleared up to December 27, 2006, and required 50% guarantees for subsequent clearances. As of the reporting date, the Company has furnished bank guarantees of Rs. 7.216 million in favour of the Excise and Taxation Department. The petition was disposed of vide consolidated judgment dated June 04, 2021, which the Company has challenged before the Supreme Court, where operation of the impugned judgment and recovery of the levy stand suspended.

17.2 Pursuant to the Supreme Court's judgment dated August 29, 2012, the Deputy Collector of Customs raised a demand of Rs. 134.197 million under Sections 83A and 202A of the Customs Act, 1969, relating to installation of textile machinery. The Company disputed the calculation as contrary to the judgment, FBR's clarification dated May 09, 2012, and the principles of natural justice, asserting that surcharge on surcharge was impermissible. Based on its computation, the Company paid Rs. 17.555 million on September 20, 2012. Following dismissal of the review petition on July 13, 2017, Customs Appraisement-West issued a fresh demand of Rs. 222.650 million. After hearing on August 07, 2018, the liability was revised to Rs. 25.874 million, against which Rs. 17.555 million had already been paid, and Rs. 8.318 million was subsequently deposited under protest. The Company's representation challenging the calculation method is pending before FBR.

17.3 The Company has filed a writ petition No. 2979 of 2010, against the levy of regulatory duty on export of yarn of Rs. 5.199 million. The Honourable High Court of Islamabad through its judgement dated July 22, 2013, partially accepted the petition of the Company. The Company has filed Intra Court Appeal No. 957/ 2013 against the impugned judgement and the Honourable High Court of Islamabad through its order dated August 20, 2013, suspended the impugned judgement. The Case is still sub-judice, wherein the stay order passed in Favor of the Company vide order dated August 20, 2013, is still intact.

Other contingencies

17.4 Counter guarantees of Rs. 9.067 million (2024: Rs. 9.067 million) were given by the Company to various banks/financial institutions as at reporting date, in respect of guarantees issued in Favor of various Government Departments / Institutions.

Commitments

17.5 There is no capital commitment as at June 30, 2025 (2024: Nil).

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PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
18 ADMINISTRATIVE EXPENSES			
Salaries and other benefits		571,481	1,673,644
Fees and subscription		-	310,000
Conveyance, travelling and entertainment		429,499	245,967
Advertisement		49,000	18,600
Auditors' remuneration	18.1	348,600	341,250
Postage, telegram and telephone		139,022	18,000
Legal and professional expenses		400,000	-
Change in NRV of fixed assets	5.1	1,795,418	553,504
		<u>3,733,020</u>	<u>3,160,965</u>
18.1 Auditor's remuneration			
Annual audit		250,000	250,000
Half yearly review		85,000	78,750
Review report under Code of Corporate Governance		13,600	12,500
		<u>348,600</u>	<u>341,250</u>
19 OTHER INCOME			
Interest on deposit accounts		614,075	65,344
Consultancy services income		24,500,000	18,000,000
Gain on settlement of investments		19,332,361	-
Gain on disposal of fixed vehicle		320,916	-
		<u>44,767,352</u>	<u>18,065,344</u>
19.1	During the year the Company provided consultancy services to client,		
20 OTHER OPERATING EXPENSE			
Payment for liability previously written off		<u>670,624</u>	<u>-</u>
21 FINANCE COST			
Bank charges		7,467	4,778
Other financial charges		-	-
		<u>7,467</u>	<u>4,778</u>
22 TAXATION & LEVIES			
22.1 Levies			
		<u>1,219,111</u>	<u>813,600</u>
		<u>1,219,111</u>	<u>813,600</u>
22.2 Taxation			
Current		-	-
Deferred		-	-
		<u>-</u>	<u>-</u>
23 EARNING PER SHARE			
Profit after taxation - (Rupees)		<u>39,137,130</u>	<u>14,086,001</u>
Weighted average number of ordinary shares outstanding during the year - (Number)		<u>17,352,329</u>	<u>17,352,329</u>
Profit per share - basic and diluted - (Rupees)		<u>2.26</u>	<u>0.81</u>
There is no dilutive effect on the basic loss per share of the Company.			

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PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
24 FINANCIAL INSTRUMENTS BY CATEGORY			
<i>Financial assets - amortized cost</i>			
Trade and other receivables		-	7,941,000
Advances, deposits and prepayments		-	30,000
Cash and bank balances		8,381,717	12,145,059
		<u>8,381,717</u>	<u>20,116,059</u>
<i>Financial liabilities - amortized cost</i>			
Loan from associates and others		580,194,930	598,134,891
Post employment benefits payables		2,241,765	2,241,765
Trade and other payables		18,696,804	28,167,943
Unclaimed dividend		1,118,836	1,118,836
		<u>602,252,335</u>	<u>629,663,435</u>

25 FINANCIAL RISK MANAGEMENT

The Company may have exposures to credit risk, liquidity risk and market risk from its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies.

25.1 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date, if counter parties fail to perform as contracted/fail to discharge an obligation/commitment that it has entered into with the Company.

Credit risk mainly arises from deposits, trade debts, loans and advances, other receivables and balances with banks. The carrying amounts of financial assets that represent the Company's maximum credit exposure as at the reporting date are as follows:

	2025 Rupees	2024 Rupees
Trade and other receivables	-	7,941,000
Advances, deposits and prepayments	-	30,000
Bank balances	7,685,011	11,748,353
	<u>7,685,011</u>	<u>19,719,353</u>

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating Agency	Rating	
		Short term	Long term
United Bank Limited	JCR-VIS	A-1+	AAA
Habib Bank Limited	JCR-VIS	A-1+	AAA
Bank Islami Limited	PACRA	A-1	AA-
MCB Bank Limited	PACRA	A-1+	AAA
Bank Al Habib Limited	PACRA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
Sindh Bank Limited	VIS	A-1	AA-
Bank of Punjab Limited	PACRA	A-1+	AA+
National Bank of Pakistan Limited	PACRA	A-1+	AAA

MHA & CO

PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
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25.2 Liquidity risk

Liquidity risk is the risk that an entity may encounter difficulties in meeting obligations associated with financial liabilities. The Company is facing difficulty in maintaining sufficient level of liquidity due to financial problems as all the banks and financial institutions have blocked / ceased their finance facilities and filed suits for recovery of these finances.

	2025			2024		
	Carrying amount	Due within one year	Due after one year	Carrying amount	Due within one year	Due after one year
	Rupees					
Loan from associates and other parties	580,194,930	580,194,930	-	598,134,891	598,134,891	-
Post employment benefits payables	2,241,765	2,241,765	-	2,241,765	2,241,765	-
Trade and other payables	18,696,804	18,696,804	-	28,167,943	28,167,943	-
Unclaimed dividend	1,118,836	1,118,836	-	1,118,836	1,118,836	-
	602,252,335	602,252,335		629,663,435	629,663,435	

25.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

a) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

At reporting date, the Company is not exposed to currency risk that's why currency risk analysis has not been provided.

b) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As on reporting date the profile of the Company's interest bearing financial instruments is as follows:

	2025	2024
Fixed rate instruments		
Financial assets	2,949,465	2,949,465
Financial liabilities	-	-
Variable rate instruments		
Financial assets	85,524	85,524
Financial liabilities	-	-

25.4 Capital risk management

There were no changes in the Company's approach to capital management during the year. Further, the Company is not subject to externally imposed capital requirements, except those related to maintenance of debt covenants, commonly imposed by the providers of debt finance which the Company could not comply as at the reporting date.

26 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregated remuneration amounting to Nil (2024: Nil) was given to chief executive and 06 directors (2024: 06) during the year. The Company had no executive during the year.

27 CAPACITY AND PRODUCTION

All manufacturing facilities of the Company were disposed off.

MHA & CO

PARAMOUNT SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
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28 RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, directors of the Company, key management personnel, companies in which directors, key management personnel and close members of the families of the directors and key management personnel are interested. The Company, in the normal course of business, carries out transactions with various related parties. Remuneration of the key management personnel is disclosed in note 26. Amounts due from and to related parties are shown under loan from associate and others. Other significant transactions with related parties are as follows:

Name of party	Relationship	Transaction	2025	2024
Sana Kashif	Shareholder	Loan repaid	6,100,000	-
		Loan adjusted against shares	2,844,961	-
Mahrukh Zeenat Jahangir	Shareholder	Loan repaid	4,100,000	-
Mr. Tanveer Ahmad Shakoore	Shareholder/ Sponsor	Loan received	-	14,234,000
		Loan repaid	4,895,000	-

29 NUMBER OF EMPLOYEES

Number of employees as at June 30,

- Permanent	2	2
- Contractual	-	-
	<u>2</u>	<u>2</u>

Average number of employees during the year

- Permanent	2	2
- Contractual	-	-
	<u>2</u>	<u>2</u>

30 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 06-10-2025, by the Board of Directors of the Company.

MHA & CO


Chief Executive


Chief Financial Officer


Director

PARAMOUNT SPINNING MILLS LIMITED
KEY OPERATING AND FINANCIAL DATA
FOR THE LAST SIX YEARS

	2025 RUPEES	2024 RUPEES	2023 RUPEES	2022 RUPEES	2021 RUPEES	2020 RUPEES
OPERATING RESULTS						
Turnover	-	-	-	-	-	-
Gross profit / (Loss)	-	-	-	-	-	-
Operating profit / (Loss)	(3,733,020)	(3,160,965)	(7,315,853)	(6,038,102)	(9,872,406)	(76,740,589)
Other income	44,767,352	18,065,344	894,256	454,939	2,091,114,996	49,355,036
Financial expenses	(7,467)	(4,778)	(3,426)	(9,460)	(20,379)	(16,152)
Profit / (Loss) before other charges	41,026,865	14,899,601	(6,425,023)	(3,592,623)	2,081,222,211	42,426,556
Other Charges	(1,889,735)	(813,600)	-	(4,481,686)	(2,014,561)	(201,051,104)
Profit/(loss) for the year before taxation	39,137,130	14,086,001	(6,425,023)	(10,074,309)	2,079,207,650	(158,624,548)
Profit/(loss) for the year after taxation	39,137,130	14,086,001	(6,425,023)	(10,074,309)	2,078,464,514	(158,624,548)
Unappropriated profit / (loss) carried forward	(1,373,679,200)	(1,412,816,330)	(1,426,902,331)	(1,420,477,308)	(1,410,402,999)	(4,366,300,921)

FINANCIAL POSITION

Paid up capital	173,523,290	173,523,290	173,523,290	173,523,290	173,523,290	173,523,290
Shareholder's equity	(724,755,910)	(763,893,040)	(777,979,041)	(771,554,018)	(761,479,709)	(2,839,944,223)
Surplus on revaluation of operating fixed assets	-	-	-	-	-	-
Sub-ordinated Loan	148,512,600	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000
Long term loans	-	-	-	-	-	-
Deferred liabilities	-	-	-	-	-	-
Current liabilities	602,252,335	629,665,435	628,662,625	623,477,110	615,918,154	4,089,317,324
Fixed assets	2,575,000	4,642,028	5,195,532	5,921,572	6,666,853	7,500,915
Disposal group under scheme of arrange	-	-	-	-	-	1,290,000,000
Long term deposits / loans	-	-	-	-	-	-
Current assets	25,434,025	36,128,367	20,488,052	21,001,520	22,771,592	126,872,186

PARAMOUNT SPINNING MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
As At June 30, 2025

Particulars	No. of Share Holders	No. of Shares Held	Percentage
Directors, Chief Executive Officer, Their Spouse and Minor Children	7	3,655	0.02
Associated Companies, Undertakings and Related Parties	2	1,543,956	8.90
NIT & ICP	4	1,805,119	10.40
Banks, Development Finance Institutions, Non- Banking Financial Institutions	6	995,553	5.74
General Public (Local)	2,853	8,789,866	50.66
Joint Stock Companies	4	51,464	0.30
Other Companies	12	4,162,716	23.99
	2,888	17,352,329	100.00

PARAMOUNT SPINNING MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
As At June 30, 2025

A) ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	SHARES
Gulshan Spinning Mills Limited	44,180
Gulistan Fibers Limited	1,499,776
B) NIT & ICP	
IDBP (ICP UNIT)	233
Investment Corporation of Pakistan	1,400
CDC - Trustee National Investment (Unit) Trust	1,803,386
National Bank of Pakistan Trustee Department	100
C) DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSE AND MINOR CHILDREN	
<u>DIRECTORS</u>	
Muhamamd Arif	500
Mrs.Zarqa Asif	550
Sohail Maqsood	605
Muhammad Akhter Mirza	500
Muhammad Junaid	500
Abid Sattar	500
Muhammad Ashraf Khan	500
D) BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS & MUTUAL FUNDS	
<u>BANKS</u>	
National Bank of Pakistan Investor Account (Former NDFC)	8
National Development Finance Corporation Ltd	110
National Bank of Pakistan	995,397
Midland Bank Trust Corporation (Jersey) Limited	38
E) Other Companies	4,162,716
F) Joint Stock Company	51,464
G) General Public (Local)	8,789,866
	<u>17,352,329</u>
H) TRADING IN THE SHARES OF COMPANY DURING THE YEAR BY THE DIRECTORS, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN	NIL

Form of Proxy

Paramount Spinning Mills Limited

I/We _____ being member of **Paramount Spinning Mills Limited** holder of _____ ordinary shares as per Share Register Folio No. _____ and/or CRC participant I.D. No. _____ Account No. _____ hereby appoint _____ who is also member of **Paramount Spinning Mills Limited** vide Folio No. _____ or CDC participant I.D. No. _____ Account No. _____ or failing him/her of Mr. _____ of _____ who is also member of **Paramount Spinning Mills Limited** vide Folio No. _____ or CDC participant I.D. No. _____ Account No. _____ as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 28th October 2025 at 11:15 A.M and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2025

Signed by the said _____

Witness 1:-

Name:- _____

Adress:- _____

CNIC:- _____

Witness 2:-

Name:- _____

Adress:- _____

CNIC:- _____

Notes:

1. The Proxy in order to be valid must be duly stamped, signed and witnessed and be deposited with the Company not later than 48 hours before the time of holding of Meeting.
2. The proxy must be a member of the Company.
3. Signature should agree with the specimen signature, registered with the Company.
4. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their National Identity Card/Passport in original to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her NIC or passport.
5. Representative of corporate members should bring the usual documents required for such purpose.

Appropriate Revenue Stamp

پراکسی فارم

پیراماؤنٹ اسپیننگ ملز لمیٹڈ

میں / ہم _____ بحیثیت پیراماؤنٹ اسپیننگ ملز لمیٹڈ کے رکن ،
مالک برائے _____ عام حصص مطابق رجسٹرڈ فولیو نمبر _____ اور / یا
سی۔ آر۔ سی شرکت کنندہ آئی ڈی _____ نمبر _____ کھاتہ نمبر _____ اس
طرح مقرر کرتا ہوں جناب _____ جو کہ پیراماؤنٹ اسپیننگ ملز لمیٹڈ
کے رکن بھی ہیں ، بذریعہ فولیو نمبر _____ یا سی۔ ڈی۔ سی شرکت کنندہ
آئی۔ ڈی نمبر _____ کھاتہ نمبر _____ یا انکی ناکامی کی صورت میں جناب
_____ برائے _____ جو کہ پیراماؤنٹ اسپیننگ ملز لمیٹڈ
کے رکن بھی ہیں ، بذریعہ فولیو نمبر _____ یا سی۔ ڈی۔ سی شرکت
کنندہ آئی۔ ڈی نمبر _____ کھاتہ نمبر _____ جیسا کہ میری / ہماری
پراکسی میں شرکت کرنے کے لئے، بات کرنے کے لئے اور ووٹ ڈالنے کے لئے
28 اکتوبر 2025 کو 11:15 بجے اور اس کے کسی بھی تعاقب میں منعقد ہونے والی
کمپنی کے سالانہ اجلاس میں۔

میرے / ہمارے ہاتھ 2025 کے _____ دن کا گواہ ہونے کے طور پر
کہا _____ کی نشاندہی

گواہ 1 :-

نام :- _____

پتہ :- _____

CNIC :- _____

گواہ 2 :-

نام :- _____

پتہ :- _____

CNIC :- _____

نوٹ:

1. پراکسی درست ہونا لازمی طور پر مہربند، دستخط اور گواہی دی جاسکتی ہے اور
کمپنی کے ساتھ اجلاس کے قیام کے وقت سے 48 گھنٹوں کے بعد جمع نہیں ہونا چاہئے۔

2. پراکسی کمپنی کا ایک رکن ہونا ضروری ہے۔

3. دستخط اس کمپنی کے ساتھ رجسٹرڈ نمونہ دستخط سے متفق ہونا چاہئے۔

4. اس اجلاس میں شرکت اور ووٹ لینے کے حق میں سی۔ ڈی۔ سی کے حصے دار، اپنی
شناخت کو ثابت کرنے کے لئے اصل قومی شناختی کارڈ / پاسپورٹ لانے، اور پراکسی
کی صورت میں انکو اپنے این آئی سی یا پاسپورٹ کی کاپی کی تصدیق کروانا ضروری
ہے۔

5. کارپوریٹ ارکان کے نمائندے کو اس مقصد کے لئے ضروری دستاویزات اپنے ساتھ لانا
چاہئے۔



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