

**PARAMOUNT SPINNING
MILLS LIMITED**

HALF YEARLY ACCOUNTS
FOR SIX MONTHS ENDED
DECEMBER 31, 2024
(UN AUDITED)

PARAMOUNT SPINNING MILLS LTD

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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
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. Nasir Mehmood

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

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

Director's Report to Shareholders

The Director of your company pleased to present audited financial statements of the Company for the six months ended December 31, 2024.

Operating & Financial Performance

Operating indicators	Half Yearly Ended December 31,2024	Half Yearly Ended December 31,2023
	(Rupees)	(Rupees)
Sales	-	-
Gross loss	-	-
Pre tax Profit/ (Loss)	273	(1,569,400)
Provision for taxation	-	-
Profit / (Loss) after taxation	273	(1,569,400)

Over View:

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comprising of five leading financial institutions, the pending litigation with the Banks by and against the company is withdrawn in terms of the Scheme of Arrangement.

Future Outlook

The Scheme of Arrangement has been successfully implemented, and all legal proceedings with the Banks, both by and against the company, have been withdrawn as per the Scheme. Since no assets remain with the company, it is left with no option but to engage in the trading of textile products.

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.

On behalf of the Board


SOHAIL MAQSOOD
CHIEF EXECUTIVE
Lahore:- 26.02.2025



INDEPENDENT AUDITOR'S REPORT
to the Members of Paramount Spinning Mills Limited
Report on the Audit of the Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Paramount Spinning Mills Limited (the Company) as at 31 December 2024 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended 31 December 2024. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

1. We were unable to satisfy ourselves regarding the existence and valuation of property, plant, and equipment having carrying values as of December 31, 2024, amounting to Rs. 4.396 million.
2. Due to litigations with banks, we have not received confirmations from banks and other financial institutions. Accordingly, we were unable to verify bank balances aggregating to Rs. 5.049 million.
3. We were unable to satisfy ourselves regarding balances payable in respect of trade, and other payables, post-employment benefits payable and unclaimed dividends amounting to Rs. 17.831 million, 2.241 million and Rs. 1.119 million, respectively.

We conducted our review in accordance with International Standards on Review Engagement (ISREs). We are independent of the Company in accordance with the ethical requirements that are relevant to our review of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements

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Qualified Conclusion

Based on our review, with the exception of the matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at December 31, 2024, and of its financial performance and its cash flows for the six-month period then ended, in accordance with International Accounting Standard 34 Interim Financial Reporting as applicable Accounting and Reporting Standard in Pakistan.

Other Matter

The figures of the unconsolidated interim statement of profit and loss and other comprehensive income for the three months period ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review the cumulative figures for the six months period ended December 31, 2024.

The engagement partner on the review resulting in this independent auditor's review report is Malik Haroon Ahmad



Malik Haroon Ahmad

Malik Haroon Ahmad & Co.
Chartered Accountants

Lahore
February 26, 2025
UDIN: AR202410206iB2Kpqhcy

PARAMOUNT SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024 (UNAUDITED)

	Note	(Unaudited) December, 31 2024	(Audited) June 30, 2024
----- Rupees -----			
ASSETS			
Fixed assets	5	4,396,346	4,642,028
Investments in associated companies	6	-	-
Trade and other receivables		-	7,941,000
Short-term investments	7	-	-
Advances, deposits and prepayments		-	30,000
Tax refund due form Government	8	16,093,420	16,012,308
Cash and bank balances	9	5,049,202	12,145,059
Total Assets		25,538,968	40,770,395
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
25,000,000 (30 June 2024: 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	10	175,000,000	175,000,000
Accumulated loss		(1,412,816,057)	(1,412,816,330)
		(588,892,767)	(588,893,040)
Liabilities			
Loan from associates and shareholders	11	593,239,891	598,134,891
Post employment benefits payables		2,241,765	2,241,765
Trade and other payables	12	17,831,243	28,167,943
Unclaimed dividend		1,118,836	1,118,836
		614,431,735	629,663,435
CONTINGENCIES AND COMMITMENTS			
Total Equity and Liabilities		25,538,968	40,770,395

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

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Schind .M
CHIEF EXECUTIVE

Nasir
CHIEF FINANCIAL OFFICER

Ahmad Sattar
DIRECTOR

PARAMOUNT SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Six months ended		Three months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees			
Sales	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Administrative expenses	(533,802)	(1,574,217)	(238,441)	(1,070,075)
Other operating expenses	-	-	-	-
Other operating income	540,757	9,156	30,514	9,156
	6,955	(1,565,061)	(207,927)	(1,060,919)
Profit/(Loss) from Operations	6,955	(1,565,061)	(207,927)	(1,060,919)
Finance cost	(6,682)	(4,338)	(4,710)	-
Profit/(Loss) before levies and taxation	273	(1,569,400)	(212,637)	(1,060,919)
Levies and taxation	-	-	-	-
Profit/(Loss) after levies and taxation	273	(1,569,400)	(212,637)	(1,060,919)
Profit/(Loss) per share				
- basic and diluted	0.00	(0.09)	(0.01)	(0.06)

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

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Sohail M
CHIEF EXECUTIVE

M. Ash
CHIEF FINANCIAL OFFICER

M. Siddiqui
DIRECTOR

PARAMOUNT SPINNING MILLS LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Six months ended		Three months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- Rupees -----			
Profit/(Loss) after levies and taxation	273	(1,569,400)	(212,637)	(1,060,919)
Other comprehensive income	-	-	-	-
Total comprehensive Income/(Loss) for the period	<u>273</u>	<u>(1,569,400)</u>	<u>(212,637)</u>	<u>(1,060,919)</u>

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

MHA & CO

Sohail M
 CHIEF EXECUTIVE

Nash
 CHIEF FINANCIAL OFFICER

Abid Datta
 DIRECTOR

PARAMOUNT SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Share Capital	Share Premium	General Reserve		Sub-ordinated loan	Total
			General reserve	Accumulated losses		
Rupees						
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 period	-	-	-	(1,569,400)	-	(1,569,400)
Balance as at 31 Dec 2023	173,523,290	15,400,000	460,000,000	(1,428,471,731)	175,000,000	(604,548,441)
Balance as at 01 July 2024	173,523,290	15,400,000	460,000,000	(1,412,816,330)	175,000,000	(588,893,040)
Total comprehensive income/(loss) for the period	-	-	-	273	-	273
Balance as at 31 December 2024	173,523,290	15,400,000	460,000,000	(1,412,816,057)	175,000,000	(588,892,767)

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The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

Shakil M
CHIEF EXECUTIVE

Nayan
CHIEF FINANCIAL OFFICER

Mohd Saad Khan
DIRECTOR

PARAMOUNT SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Note	Six months ended	
		December 31, 2024	December 31, 2023
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	14	(2,734,932)	(9,063,329)
Finance cost paid		(6,682)	(4,338)
Interest received		540,757	9,156
Gratuity paid		-	(60,000)
Net cash used in operating activities		(2,200,857)	(9,118,511)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from associates and other parties		(4,895,000)	8,729,999
Net cash generated from financing activities		(4,895,000)	8,729,999
Net decrease in cash and cash equivalents		(7,095,857)	(406,823)
Cash and cash equivalents - at beginning of the year		12,145,059	4,403,586
Cash and cash equivalents - at end of the year		5,049,202	3,996,763

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information

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Shahid M
CHIEF EXECUTIVE

MHA & CO
CHIEF FINANCIAL OFFICER

MHA & CO
DIRECTOR

PARAMOUNT SPINNING MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

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. 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 have been withdrawn in accordance with terms of the scheme of arrangement.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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, 2024.

2.2 Basis of measurement

Due to the Scheme as described in note 1.2 to these financial statements, the directors have determined that the going concern basis of preparation of financial statements is no longer appropriate. Accordingly, these financial statements have been prepared on liquidation/break-up value basis, following the intention of the parties to settle the liabilities through proceeds of disposal of assets of the company as contemplated in the scheme.

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, 2024.

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PARAMOUNT SPINNING MILLS LIMITED
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UN-AUDITED)

4 CRITICAL 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, 2024.

5 FIXED ASSETS

Note	Un-audited December 31, 2024	Audited June 30, 2024
(Rupees)		

Operating fixed assets

Book value at beginning of the period / year	4,642,028	5,195,532
Depreciation charge for the period / year	(245,682)	(553,504)
Book value at end of the period / year	<u>4,396,346</u>	<u>4,642,028</u>

5.1 Depreciation is charged to administrative expenses.

6 INVESTMENTS IN ASSOCIATED COMPANIES

Gulistan Spinning Mills Limited (GTSM)

202,777 (2024: 202,777) ordinary shares

of Rs 10 each- cost

2,346,250 2,346,250

Share of post acquisition losses

(2,346,250) (2,346,250)

- -

GTSM is an associated company of the Company based on common directorship. The Company as on reporting date holds 1.39% of share capital of the GTSM (2024: 1.39%).

7 SHORT -TERM INVESTMENTS

The Company hold 8.68% (2024: 8.68%) of equity share of Gulistan Textile Mills Limited (GTML) at a value of Rs. 1,648,740. The market value of the investment as at the year end is not available as trading in shares has been suspended on the stock exchanges. Further, due to the operational and financial difficulties casting material threat on ability of GTML to continue as going concern there is no probability of recovery of the investment. Accordingly, the value of investment has been reduced to zero.

8 TAX REFUND DUE FROM GOVERNMENT

Advance income tax	333,681	252,568
Sales tax	15,759,740	15,759,740
	<u>16,093,420</u>	<u>16,012,308</u>

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PARAMOUNT SPINNING MILLS LIMITED
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UN-AUDITED)

9 CASH AND BANK BALANCES

Cash-in-hand	1,196,706	396,706
Balances with banks in;		
- current accounts	817,506	8,713,364
- deposit accounts	85,525	85,524
- term deposit receipts	9.1 2,949,465	2,949,465
	<u>5,049,202</u>	<u>4,403,586</u>

9.1 These are under lien with respect to guarantees provided by financial institutions to different Government departments.

10 SUB-ORDINATED LOAN - unsecured

Sub-ordinated loan	<u>175,000,000</u>	<u>175,000,000</u>
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This is an interest-free loan obtained from ex-chief executive and ex-director of the Company in previous years. This loan is sub-ordinated to the finances provided by secured creditors and does not carry mark-up. The loan shall not be repaid without obtaining consent from the secured creditors 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.

11 LOAN FROM ASSOCIATES AND SHAREHOLDERS

Gulistan Fibers Limited-Unsecured	11.1	136,665,638	136,665,638
Gulistan Power Generation		26,353,793	26,353,793
Interest free loan from shareholders - unsecured	11.2	430,220,460	435,115,460
		<u>593,239,891</u>	<u>598,134,891</u>

11.1 Gulistan Fibers Limited- unsecured

Balance at beginning of the period/year	136,665,638	136,665,638
Less: payments made during the period/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.

11.2 Interest free loans from other parties - unsecured

Balance at beginning of the period/year	435,115,460	420,881,460
Add: funds received during the period/year	-	14,234,000
Less: adjustments/repayments made	(4,895,000)	-
	<u>430,220,460</u>	<u>435,115,460</u>

These loans were advanced by the share holders of the company in order to finance working capital requirements. The repayment terms have not yet been finalized by the parties.

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PARAMOUNT SPINNING MILLS LIMITED
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UN-AUDITED)

12 TRADE AND OTHER PAYABLES

Creditors	17,656,687	27,012,387
Accrued expenses	174,556	366,556
Other payables	-	789,000
	<u>17,831,243</u>	<u>28,167,943</u>

13 CONTINGENCIES AND COMMITMENTS

There has been no material change in the matters since the date of published annual financial statements for the year ended June 30,2024 except for one case with a bank which has now been withdrawn.

14 CASH USED IN OPERATION OPERATIONS

Note

	December 31, 2024	December 31, 2023
	(Rupees)	
Profit/(loss) before levies and taxation	273	(1,569,400)
Adjustments for non-cash charges and other items		
Depreciation of operating fixed assets	245,682	268,116
Finance cost	6,682	4,338
Interest income	(540,757)	(9,156)
Working capital changes	(2,446,812)	(7,775,539)
	<u>(2,734,932)</u>	<u>(9,081,640)</u>

14.1 Movement in working capital

(Increase) / decrease in current assets:

Other receivables	(81,112)	111
Trade and other receivables	7,941,000	-
Security deposits	30,000	20,000
	<u>7,889,888</u>	<u>20,111</u>
Increase / (decrease) in trade and other payables	(10,336,700)	(7,795,650)
	<u>(2,446,812)</u>	<u>(7,775,539)</u>

15 RELATED PARTY TRANSACTIONS

The related parties comprises associated companies, directors and key management personnel. Material transactions with related parties during the period are as follows:

Name of party	Relationship	Transaction	Amount
Mr. Tanveer Ahmad	Shareholder	Loan repaid	4,895,000

16 AUTHORIZATION OF INTERIM FINANCIAL INFORMATION

This condensed interim financial statements (un-audited) has been authorized for issue by the Board of Directors of the Company on 28/07/2025

17 GENERAL

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

Schail M
 CHIEF EXECUTIVE

MHA & CO
 CHIEF FINANCIAL OFFICER

MHA & CO
 DIRECTOR