

# Zahur Cotton Mills Ltd

55 C/1, Gulberg-III, Lahore. Pakistan

31 October, 2022

Hafiz Maqsood Munshi  
The Manager  
Companies and Securities Compliance-RAD  
Pakistan stock Exchange Limited,  
Stock Exchange Road,  
Karachi-74000

## Progress report under section clause 5.11.2(b) of PSX Regulations- Zahur Cotton Mills Limited ("ZHCM" or "the Company")

Dear Sir,

In continuation to our last Progress Report submitted to PSX and uploaded at PUCAR, we are pleased to update you with the latest development in the process of bringing the Company back in to operations as follows;

The Company received a formal letter of Intent dated 30 September 2022, from Itanz Technology (Pvt.) Limited (Itanz) showing intention to merge their business in ZHCM. Itanz is a tech company that develops software and offers a range of IT related solutions to its Clients both in Pakistan and abroad. The merger proposal was reviewed by the Board of Directors of ZHCM. As a Principal the Board has approved the proposal and advised the Company's management to further evaluate the transaction and propose to the Board the approach to be followed in order to implement the Merger of Itanz business in to the business of ZHCM that will best serve the interest of Company's Shareholders. The management is currently evaluating the possible approaches to merge the business. Recommended approach shall be submitted to the Board for their approval in the next Meeting.

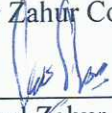
Furthermore, we are pleased to update you with the following developments during October 2022 to bring the Company in to operations.

1. As a result of continuing communication with SECP the Company has been able to prove that the Company's business shall be revived soon through a merger of an IT Company's business in to the business of the Company. Accordingly, SECP has issued an Order dated October 24, 2022 under section 304 and 305 of the Act, whereby SECP has dropped the proceeding against ZHCM initiated through Show Cause Notice dated December 30, 2015.
2. As a result of proposed plan to revive the Company's operations, Statutory Auditors of the Company have removed the Going Concern observation in their Auditor's Report.

We hope that, the above explains the status and we look towards your usual support and corporation to bring the Company back to normal trading counter and shall inshallah regularly update the Exchange on further development in the monthly progress report going forward.

Yours truly,

For Zahur Cotton Mills Limited

  
Javed Zahur  
Chief Executive Officer

