



QUARTERLY REPORT
(UN-AUDITED)
(1st QUARTER)
ENDED
30th SEPTEMBER, 2022

ZAHUR COTTON MILLS LIMITED

DIRECTORS' REVIEW

On behalf of the directors of Zahur Cotton Mills Limited, I am presenting the unaudited condensed interim financial statements for the three months ended September 30, 2022. The company's net loss after tax is Rs. 110,481 in three month's period as compared to Rs. 952,559 in corresponding period of previous year.

No sales during the three month's period because the operations of the Company have been ceased since long. loss per share is Rs. (0.01) as compared to loss per share Rs. (0.10) in corresponding period of previous year.

FUTURE PROSPECTS

The board of directors of the Company has approved a revival plan which will help the company to start operations and become profitable in near future. Furthermore, in order to resume company's business operations on fast track basis the company is evaluating a business acquisition option through merger with a multinational company from whom the company has already received a letter of intent. It will take place through a scheme of arrangement which will be sanctioned by Lahore High Court, Lahore in later stages Insha Allah subject to all approvals from shareholders, secured creditors, and all the legal and other corporate formalities inter alia.

ACKNOWLEDGEMENT

The Board takes this opportunity to express its deep sense of gratitude and thanks to all the shareholders for the confidence and faith they have always reposed in us.

These accounts are un-audited, being submitted to the shareholders as required under the Companies Act, 2017.

On behalf of the board of directors.

Chief Executive

Director

Lahore

October 27, 2022

ڈائریکٹرز کی جائزہ رپورٹ

30 ستمبر 2022ء کو اختتام پذیر سہ ماہی کے لئے میں ظہور کاٹن ملز لمیٹڈ کے ڈائریکٹرز کی جانب سے غیر پڑتال شدہ منہدم عبوری مالیاتی اسٹیٹمنٹس ازراہ مسرت پیش کرتا ہوں۔ کمپنی کا خالص گزشتہ برس کی اسی سہ ماہی میں 952,559 روپے کے مقابلے میں 110,481 روپے علاوہ ٹیکس رہا۔ کافی عرصے سے کمپنی کے امور بند رہنے کے باعث مذکورہ سہ ماہی کے دوران فروخت کا عمل بھی تعطل کا شکار رہا۔ فی حصص خسارہ گزشتہ برس کی اسی مدت میں (0.10) روپے کے مقابلے میں (0.01) روپے رہا۔

مستقبل کے امکانات

کمپنی کے بورڈ آف ڈائریکٹرز نے بحالی پروگرام منظور کیا ہے جو کمپنی کو اپنے کاروباری امور شروع کرنے میں مدد دے گا اور کمپنی مستقبل میں منافع بخش ہو جائے گی۔ مزید برآں، تیز رفتار بنیادوں پر کمپنی کے کاروباری امور کی بحالی کے لئے کمپنی نے ایک ملٹی ٹینٹل کمپنی کے ساتھ انضمام کے ذریعے کاروبار حاصل کرنے کے آپشن پر غور کر رہی ہے جب کہ مذکورہ کمپنی نے اظہار دلچسپی کا خط بھی موصول ہو چکا ہے۔ یہ عمل سکیم آف ارنجمنٹ کے تحت مکمل کیا جائے گا اور بعد ازاں انشاء اللہ لاہور ہائی کورٹ، لاہور سے اس کی منظوری مل جائے گی جو شیئر ہولڈرز، قرض خواہان کی منظوری اور تمام قانونی و دیگر کاروباری تقاضوں سے مشروط ہے۔

اظہار تشکر

بورڈ اس موقع پر اپنے تمام حصص داران کی جانب سے ہماری کمپنی پر اعتماد اور یقین کے لئے تہہ دل سے شکر یہ ادا کرتا ہے۔ یہ کھاتے غیر پڑتال شدہ ہیں جنہیں کمپنیز ایکٹ 2017ء کے تحت شیئر ہولڈرز کو جمع کرایا جائے گا۔

منجانب بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو

لاہور

127 اکتوبر، 2022ء

ZAHUR COTTON MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2022

		Un-audited September 30, 2022	Audited June 30, 2022
	NOTE	RUPEES	RUPEES
SHARE CAPITAL AND RESERVES			
Authorized Capital:			
20,000,000 (2022: 20,000,000) Ordinary Shares of Rs.10 each		200,000,000	200,000,000
Share capital			
Issued, Subscribed and Paid-up Capital		98,600,000	98,600,000
REVENUE RESERVES			
Accumulated Loss		(137,050,929)	(136,940,448)
Total Shareholders' Equity		(38,450,929)	(38,340,448)
Non-Current Liabilities			
Current Liabilities			
Trade and Other Payables	5	12,483,795	12,483,495
Short term borrowings	6	26,060,501	25,950,501
		38,544,296	38,433,996
Contingencies and Commitments			
	7	-	-
		93,367	93,548
Assets			
Non-Current Assets			
Long Term Deposits		68,210	68,210
Current Assets			
Income tax refunds due from the government		1,912	1,912
Cash and Bank Balances	8	23,245	23,426
		25,157	25,338
		93,367	93,548

The annexed Notes from 1 to 15 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

		QUARTER ENDED	
		SEPTEMBER, 30 2022	SEPTEMBER, 30 2021
	NOTE	RUPEES	RUPEES
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	9	(110,300)	(1,050,297)
Operating loss		(110,300)	(1,050,297)
Finance cost	10	(181)	(197)
Loss before taxation		(110,481)	(1,050,494)
Taxation	11	-	97,935
Net loss for the period after taxation		(110,481)	(952,559)
Other comprehensive income:			
-Items that will never be reclassified to profit and loss account		-	-
-Items to be reclassified to profit and loss account		-	-
Total other comprehensive income - net of tax		-	-
Total comprehensive loss for the year		(110,481)	(952,559)
Loss per share - basic and diluted	12	(0.01)	(0.10)

The annexed Notes from 1 to 15 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAHUR COTTON MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

	QUARTER ENDED	
	NOTE September 30, 2022	September 30, 2021
	RUPEES	RUPEES
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Loss before Taxation	(110,481)	(1,050,494)
Adjustments for Depreciation	-	617,687
	(110,481)	(432,807)
<u>EFFECT ON CASH FLOW OF WORKING CAPITAL CHANGES</u>		
Increase in Current Liabilities		
Trade and Other Payables	300	412,610
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(110,181)	(20,197)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	-	-
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	110,000	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(181)	(20,197)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	23,426	137,653
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8 23,245	117,456

The annexed Notes from 1 to 15 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

PARTICULARS	NOTE	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	REVENUE RESERVE	CAPITAL RESERVES		TOTAL
			(ACCUMULATED LOSS)	SHARE DEPOSIT MONEY	REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT	
R U P E E S						
Balance as at 30th June, 2021 Audited		98,600,000	(231,475,110)	20,066,240	45,256,439	(67,552,431)
Loss for the Period		-	(952,559)	-	-	(952,559)
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Loss for the Quarter ended September 30, 2021		-	(952,559)	-	-	(952,559)
Transferred from surplus on revaluation of property plant and equipments on account of incremental depreciation - net of tax						
			239,770		(239,770)	-
Balance as at September 30, 2021 (Un-audited)		98,600,000	(232,187,899)	20,066,240	45,016,669	(68,504,990)
Balance as at June 30, 2022 Audited		98,600,000	(136,940,448)	-	-	(38,340,448)
Loss for the Period		-	(110,481)	-	-	(110,481)
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Loss for the Quarter ended September 30, 2022		-	(110,481)	-	-	(110,481)
Balance as at September 30, 2022 (Un-audited)		98,600,000	(137,050,929)	-	-	(38,450,929)

The annexed Notes from 1 to 15 form an integral part of these Financial Statements



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAHUR COTTON MILLS LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

1 STATUS AND OPERATIONS OF THE COMPANY

Zahur Cotton Mills Limited (the Company) is a public limited company incorporated in Pakistan on April 21, 1990 under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). Its Ordinary Shares are quoted on Pakistan Stock Exchanges. The principal activity of the Company is manufacturing and selling of grey fabric. The company has shut down its operations in past which continued suspended during the year. The Company is domiciled in Pakistan and its registered office and factory /mills is situated at 94 KM, Multan Road, near Pul Jaurian, Akhtarabad, District Okara.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

- (i) This condensed interim financial information of the Company for the period ended 30 September, 2022 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 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.
- (ii) This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements as at and for the year ended 30 June 2022.
- (iii) The comparative Statement of Financial Position presented in this condensed interim financial information has been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2022, whereas the comparative condensed interim statement of Profit or Loss and Comprehensive Income, condensed interim Statement of Cash Flow and condensed interim Statement of Changes in Equity are extracted from the unaudited condensed interim financial information for the period ended 30 September 2021.
- (v) This condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act 2017.

2.2 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except that the land and buildings are stated at fair values determined by an independent valuer and the Company's liability under its defined benefit plan (gratuity) which is determined on the present value of the defined benefit obligations determined by an independent actuary.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

This condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency and all financial information presented has been rounded-off to the nearest thousand Rupee except where stated otherwise.

3 ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended 30 June 2022.

Certain amendments an interpretations to approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

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. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments 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.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

5 Trade and other payables

5.1 Creditors		2,788,771	2,788,771
Accrued Liabilities and advances - unsecured	(Note 5.2)	8,093,022	8,092,722
Advances from Customers - unsecured		1,602,002	1,602,002
		<u>12,483,795</u>	<u>12,483,495</u>
5.2 Accrued liabilities and advances			
Advances	(Note 5.3)	1,377,227	1,376,927
Accrued liabilities	(Note 5.4)	6,715,795	6,715,795
		<u>8,093,022</u>	<u>8,092,722</u>

ZAHUR COTTON MILLS LIMITED

5.3 Advances represent, Rs.612,449, Rs. 18,153 and Rs.746,625 payable to a director, other related party and the associated company (associated due to common directorship) respectively. These amounts relate to the expenditure incurred by the director, other related party and the associated company on the Company's behalf.

5.4 This includes Rs. 6.067 million (2022: 6.067million) payable to CEO of the Company on account of salaries.

	UN-AUDITED SEPTEMBER 30, 2022 RUPEES	AUDITED JUNE 30, 2022 RUPEES
6 Short term borrowings		
6.1 These are unsecured and have been obtained from:		
Related Parties -		
Chief Executive	12,500,303	12,500,303
Loan from other related parties	13,560,198	13,450,198
	(Note 6.2) <u>26,060,501</u>	<u>25,950,501</u>

6.2 These unsecured and interest free loans have been obtained from the related parties i.e. directors / sponsors of the Company. These loans have been obtained to meet the working capital requirements of the Company and are repayable on demand.

7 Contingencies and commitments

7.1 Contingencies

Rs. Nil (June 30, 2022: Rs. Nil)

7.2 Commitments

Rs. Nil (June 30, 2022: Rs. Nil)

	UN-AUDITED SEPTEMBER 30, 2022 RUPEES	AUDITED JUNE 30, 2022 RUPEES
8 Cash and bank balances		
Cash in Hand	1,695	1,695
Cash with Banks in:		
Current Accounts	18,528	18,709
Demand Deposits	2,119	2,119
Saving Account	903	903
	<u>21,550</u>	<u>21,731</u>
	<u>23,245</u>	<u>23,426</u>

	UN-AUDITED Quarter Ended SEPTEMBER 30, 2022 RUPEES	UN-AUDITED SEPTEMBER 30, 2021 RUPEES
9 Administrative expenses		

9.1 These comprise of:

Directors Remuneration	-	360,000
Salaries and Other Benefits	-	60,000
Communication Expenses	300	2,610
Fees and Subscriptions	110,000	-
Legal and Professional Charges	-	10,000
Depreciation	-	617,687
	<u>110,300</u>	<u>1,050,297</u>

10 Finance cost

Bank Charges	<u>181</u>	<u>197</u>
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11 Taxation

11.1 This represents:

Deferred Taxation	-	(97,935)
	<u>-</u>	<u>(97,935)</u>

ZAHUR COTTON MILLS LIMITED

12 Loss per share

The calculation of basic loss per share has been based on the loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

12.1 Basic loss per share

Net Loss attributable to Ordinary Shareholders	(110,481)	(952,559)
Weighted Average Number of Ordinary Shares Outstanding during the Year	NUMBER OF SHARES 9,860,000	9,860,000
Loss per Share	RUPEES (0.01)	RUPEES (0.10)

12.2 Diluted loss per share

There is no dilution effect on the basic Loss per share as the Company has no such commitments.

13 Remuneration of chief executive, directors and executives

13.1 Aggregate amounts charged in the financial statements for the year as remuneration and benefits to the chief executive, full time working directors and other executives of the company are as follows:

Particulars	UN-AUDITED FOR THE THREE MONTHS PERIOD SEPTEMBER 30, 2022			UN-AUDITED FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021		
	Rupees		Total	Rupees		Total
	Chief Executive	Director		Chief Executive	Director	
	-	-	-	272,727	54,545	327,273
Managerial Remuneration	-	-	-	27,273	5,455	32,727
Medical Allowance	-	-	-	300,000	60,000	360,000
Number of Persons	1	1		1	1	

14 **FIGURES** in this condensed interim financial information have been rounded off to the nearest Rupee.

15 Date of authorization for issue

This condensed interim financial information was authorized for issue on October 27, 2022 by the Board of Directors of the Company.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

ZAHUR COTTON MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	MRS. MAHREEN GUL HASSAN (Chairperson) MR. JAVED ZAHUR (Chief Executive) MS. RABIA ZAHUR MS. IZZA ALI MR. NAZIR AKHTAR MR. KHAN MUHAMMAD MR. M. TANVEER
CHIEF FINANCIAL OFFICER	MR. A. QADEER
COMPANY SECRETARY	MS. RABIA ZAHUR
AUDITORS	M/S. AMIN & CO. CHARTERED ACCOUNTANTS SUITE 20, 2ND FLOOR SADIQ PLAZA, THE MALL, LAHORE.
LEGAL ADVISOR	MR. QAMAR-UZ-ZAMAN
AUDIT COMMITTEE	MS. RABIA ZAHUR MR. M. TANVEER MR. NAZIR AKHTAR
BANKERS	MCB BANK LIMITED AL-BARAKA BANK LIMITED BANK AL-HABIB LIMITED HABIB METROPOLITAN BANK LIMITED
REGISTRAR	SHARES DEPARTMENT M/S. CORPLINK (PVT) LIMITED WINGS ARCADE, 1-K COMMERCIAL MODEL TOWN LAHORE. PHONE : (042) 35839182, 35887262 Fax: (042) 35869037
REGISTERED OFFICE & MILLS	55 C/1, GULBERG - 3, LAHORE, PAKISTAN

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