



**QUARTERLY REPORT**

**(UN-AUDITED)**

**(1<sup>ST</sup> QUARTER)**

**ENDED SEPTEMBER 30, 2023**

# Contents

## Corporate Information

### **BOARD OF DIRECTORS**

- |                                |                               |
|--------------------------------|-------------------------------|
| 1. Mr. Imran Zaid              | Chairman/Independent Director |
| 2. Ms. Javeria Malik           | Independent Director          |
| 3. Mr. Sana Malik              | Non-Executive Director        |
| 4. Mr. Muhammad Faheem Qureshi | Non-Executive Director        |
| 5. Ms. Azra Perveen            | Non-Executive Director        |
| 6. Mr. Muhammad Sheraz         | Executive Director            |
| 7. Mr. Syed Jawed Ali          | Chief Executive Office        |

### **AUDIT COMMITTEE**

- |                                |                                  |
|--------------------------------|----------------------------------|
| 1. Ms. Javeria Malik           | Chairperson/Independent Director |
| 2. Mr. Muhammad Faheem Qureshi | Member/Non-Executive Director    |
| 3. Ms. Azra Perveen            | Member/Non-Executive Director    |
| 3. Mr. Muhammad Sheraz         | Secretary                        |

### **HR & REMUNERATION COMMITTEE**

- |                                |                               |
|--------------------------------|-------------------------------|
| 1. Mr. Imran Zaid              | Chairman/Independent Director |
| 2. Ms. Sana Malik              | Member/Non-Executive Director |
| 3. Mr. Muhammad Faheem Qureshi | Member/Non-Executive Director |
| 4. Mr. Syed Jawed Ali          | Member/Executive Director     |
| 5. Mr. Muhammad Sheraz         | Secretary                     |

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Amin Shakir

### **COMPANY SECRETARY**

Mr. Muhammad Faheem Qureshi

### **EXTERNAL AUDITORS**

Ali Akhter Adnan and Co.  
Chartered Accountants

### **LEGAL COUNSEL**

House of Magna Cum Laude

### **SHARE REGISTRAR**

Corplink (Private) Limited

**RESISTERED OFFICE**

623-B PCSIR II, Lahore  
www.zahurcotton.com

**COMPANY REGISTRATION NO.**

CUIN 0021566

**Bankers:**

MCB Bank Limited  
Al Baraka Bank (Pakistan) Limited

**Contact Information:**

Registered Office: +92 301 7614313, +92 321 6644337

Web Site: <http://www.zahurcotton.com/>

# Director's Review Report

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present unaudited condensed interim financial statements of the Company for the first quarter ended 30th September 2023. The Company's net loss after tax is Rs. 0.075 million in the three-month period as compared to loss after tax of Rs. 0.110 million in the corresponding period of previous year. Loss per share is Rs. 0.008 as compared to loss per share of Rs. 0.011 in the corresponding period of the previous year.

As you are aware, the Company's operations have ceased since long therefore, no sales are reported during the three-month period.

## **Future Prospects**

As communicated in our previous Directors Reports, the Company has approved a revival plan by merging operations of an IT Company in to Zahur Cotton Mills Ltd. The IT Company is providing services to clients in Pakistan as well as to clients in Middle East and other Regions. This merger, once completed successfully, shall help the Company to re-start its operational activities and become profitable in future.

## **Update on Potential Merger:**

We are pleased to inform that; the Merger Process is progressing gradually. The Company has reached an understanding with the Merging Company M/S Itanz Technology (Pvt) Ltd. The Company has appointed consultants to prepare Scheme of Arrangement for the Merger. The Scheme of Arrangement shall soon be filed with the honorable Lahore High Court subject to approvals from shareholders and secured creditors and completion of other procedures.

This merger will create growth opportunities and enhance our competitive position in the market. Furthermore, this will also pave the way to transit ZHCM from defaulter counter to the regular counter of PSX Company Listings.

## **Gratitude and Commitment:**

We extend our heartfelt gratitude to our valued shareholders for their continued trust and support.

Yours sincerely,



Syed Jawed Ali  
Chief Executive Officer



Muhammad Sheraz  
Director

## ڈائریکٹر کی جائزہ رپورٹ

### معزز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 ستمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر آڈٹ شدہ عبوری مالی بیانات پیش کرنے پر خوش ہیں۔ تین ماہ کے عرصے میں کمپنی کا بعد از ٹیکس خالص خسارہ 0.075 ملین روپے رہا جبکہ گزشتہ سال کے اسی عرصے میں 0.110 ملین روپے کا بعد از ٹیکس خسارہ ہوا تھا۔ فی حصص خسارہ 0.008 روپے ہے جبکہ گزشتہ سال کے اسی عرصے میں فی حصص نقصان 0.011 روپے تھا۔

جیسا کہ آپ جانتے ہیں، کمپنی کے آپریشنز طویل عرصے سے بند ہیں لہذا، تین ماہ کی مدت کے دوران کوئی فروخت نہیں ہے۔

### مستقبل کے امکانات

جیسا کہ ہماری پچھلی ڈائریکٹرز رپورٹس میں بتایا گیا ہے، کمپنی نے ایک آئی ٹی کمپنی کے آپریشنز کو ظہور کائنات ملز لمیٹڈ میں ضم کر کے بحالی کے منصوبے کی منظوری دی ہے۔ آئی ٹی کمپنی پاکستان کے ساتھ مشرق وسطیٰ اور دیگر خطوں میں صارفین کو خدمات فراہم کر رہی ہے۔ یہ انضمام کامیابی کے ساتھ مکمل ہونے کے بعد کمپنی کو اپنی آپریشنل سرگرمیاں دوبارہ شروع کرنے اور مستقبل میں منافع بخش بننے میں مدد ملے گی۔

### ممکنہ انضمام کے بارے میں تازہ کاری

ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ انضمام کا عمل آہستہ آگے بڑھ رہا ہے۔ کمپنی نے ضم ہونے والی کمپنی میسرز ایٹانز ٹیکنالوجی (پرائیوٹ) لمیٹڈ کے ساتھ ایک مفاہمت کی ہے۔ کمپنی نے انضمام کے لئے انتظامات کی اسکیم تیار کرنے کے لئے کنسلٹنٹ مقرر کیے ہیں۔ اسکیم آف انتظامات جلد ہی معزز لائبر ہائی کورٹ میں دائر کی جائے گی بشرطیکہ شیئر ہولڈرز اور محفوظ قرض دہندگان کی منظوری اور دیگر طریقہ کار مکمل ہوں۔ اس انضمام سے ترقی کے مواقع پیدا ہوں گے اور مارکیٹ میں ہماری مسابقتی پوزیشن میں اضافہ ہوگا۔ مزید برآں، اس سے زیڈ ایچ سی ایم کو ڈیفالٹر کاؤنٹر سے پی ایس ایکس کمپنی لسٹنگ کے ریگولر کاؤنٹر میں منتقل کرنے کی راہ بھی ہموار ہوگی۔

ہم اپنے قابل قدر شیئر ہولڈرز کا ان کے مسلسل اعتماد اور حمایت کے لئے تہ دل سے شکریہ ادا کرتے ہیں۔

SHERAZ

محمد شیراز

ڈائریکٹر



سید جاوید علی

چیف ایگزیکٹو آفیسر

# ZAHUR COTTON MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30TH SEPTEMBER, 2023

	Note	(UNAUDITED) 30TH SEP., 2023 Rupees	(UNAUDITED) 30TH JUNE, 2023 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Capital:</b>			
20,000,000 (30th June, 2023: 20,000,000) Ordinary Shares of Rs.10 each		<u>200,000,000</u>	<u>200,000,000</u>
<b>SHARE CAPITAL</b>			
<b>Issued, Subscribed and Paid-up Capital</b>	5	98,600,000	98,600,000
<b>REVENUE RESERVES</b>			
Accumulated Loss		(137,761,221)	(137,686,211)
<b>Total Shareholders' Equity</b>		<u>(39,161,221)</u>	<u>(39,086,211)</u>
<b>NON-CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	6	13,118,495	13,043,495
Short term borrowings	7	26,123,751	26,123,751
		39,242,246	39,167,246
<b>Contingencies and commitments</b>	8	-	-
		<u>81,025</u>	<u>81,035</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Long Term Deposits	9	68,210	68,210
		68,210	68,210
<b>CURRENT ASSETS</b>			
Income Tax Refund due from the Government		1,912	1,912
Cash and Bank Balances	10	10,903	10,913
		12,815	12,825
		<u>81,025</u>	<u>81,035</u>

The annexed Notes from 1 to 16 form an interegral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

# ZAHUR COTTON MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED 30TH SEPTEMBER, 2023

	Note	THREE MONTHS ENDED 30TH SEPTEMBER	
		2023	2022
		Rupees	Rupees
Sales		-	-
Cost of Sales		-	-
Gross Loss		-	-
Administrative Expenses	11	(75,000)	(110,300)
Operating loss		(75,000)	(110,300)
Finance Cost		(10)	(181)
Loss for the Period before taxation		(75,010)	(110,481)
Taxation		-	-
Net Loss for the period after taxation		(75,010)	(110,481)
Loss Per Share-Basic and Diluted		(0.008)	(0.011)

The annexed Notes from 1 to 16 form an intergral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

# ZAHUR COTTON MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED 30TH SEPTEMBER, 2023

	THREE MONTHS ENDED 30TH SEPTEMBER	
	2023	2022
	Rupees	Rupees
Net Loss for the Period after Taxation	(75,010)	(110,481)
Other Comprehensive Income:		
<i>Items that will not be reclassified to profit or loss account</i>	-	-
<i>Items that may be reclassified subsequently to profit or loss account</i>	-	-
Total Comprehensive loss	<u>(75,010)</u>	<u>(110,481)</u>

The annexed Notes from 1 to 16 form an intergral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR



# ZAHUR COTTON MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED 30TH SEPTEMBER, 2023

	PAID-UP CAPITAL	REVENUE RESERVE (ACCUMULATED LOSS)	TOTAL
	Rupees	Rupees	Rupees
<b>Balance as at June 30, 2022 Audited</b>	<b>98,600,000</b>	<b>(136,940,000)</b>	<b>(38,340,000)</b>
Loss for the period	-	(110,481)	(110,481)
Other comprehensive income	-	-	-
Total Comprehensive Income for the	-	(110,481)	(110,481)
<b>Balance as at 30th September, 2022 (Un-audited)</b>	<b>98,600,000</b>	<b>(137,050,481)</b>	<b>(38,450,481)</b>
<b>Balance as at 30th June, 2023 Un-audited</b>	<b>98,600,000</b>	<b>(137,686,211)</b>	<b>(39,086,211)</b>
Loss for the period	-	(75,010)	(75,010)
Other comprehensive income	-	-	-
Total Comprehensive Loss for the	-	(75,010)	(75,010)
<b>Balance as at 30th September, 2023 (Un-audited)</b>	<b>98,600,000</b>	<b>(137,761,221)</b>	<b>(39,161,221)</b>

The annexed Notes from 1 to 16 form an integral part of this condensed interim financial information.



**CHIEF EXECUTIVE**



**CHIEF FINANCIAL OFFICER**



**DIRECTOR**

# ZAHUR COTTON MILLS LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED 30TH SEPTEMBER, 2023

		<b>30TH SEP.,</b>	<b>30TH SEP.,</b>
		<b>2023</b>	<b>2022</b>
	Note	Rupees	Rupees
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>			
Net Loss before Taxation		(75,010)	(110,481)
Adjustments for Non-Cash Charges and Other Items			
Finance cost		10	-
		<u>(75,000)</u>	<u>(110,481)</u>
<b><u>EFFECT ON CASH FLOW OF WORKING CAPITAL CHANGES</u></b>			
Increase in Current Liabilities:			
Trade and Other Payables		75,000	300
Cash used in Operations		<u>75,000</u>	<u>300</u>
Finance cost paid		(10)	-
		<u>(10)</u>	<u>(110,181)</u>
<b><u>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</u></b>			
		-	-
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>			
		-	-
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>			
		-	110,000
		<u>(10)</u>	<u>(181)</u>
<b><u>NET (DECREASE) /INCREASE IN CASH AND CASH EQUIVALENTS</u></b>			
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		10,913	23,426
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10	<u>10,903</u>	<u>23,245</u>

The annexed Notes from 1 to 16 form an intergral part of this condensed interim financial information.

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 PERIOD ENDED 30TH SEPTEMBER, 2023

Note 1

### **Legal status and operations**

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 is situated at 623-B. PCSIR-II, Lahore.

Note 2

### **Basis of preparation**

#### **2.1 Going concern assumption**

The Company has accumulated losses stand at of Rs.137.351 million (June 30, 2023: Rs.137.686 million) as against issued, subscribed and paid up capital of Rs.98.60 million as at September 30, 2023 (June 30, 2023: Rs.98.60 million) and as of that date the Company's current liabilities exceed its current assets by Rs.39.23 million (June 30,2023: Rs.39.15 million) resulting in liquidity problems. The operations of Company ceased and these operations remained suspended during the year due to working capital constraints and unfavorable business conditions and the Company has also applied for Voluntarily Delisting from the Pakistan Stock Exchange on May 08, 2017 but decision is still pending. These factors along with matters described in condensed interim financial statements may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business, for which no adjustments have been incorporated in these financial statements.

In spite of the huge accumulated losses and negative current ratio, the management is confident to obtain continued support from its sponsors and lenders and also confident about a binding acquisition / merger agreement with ITANZ Technology Private Limited Company, therefore, these Financial Statements have been prepared on a going concern basis.

#### **2.2 Basis of accounting**

2.2.1 This condensed interim financial information comprise of the condensed interim statement of financial position of the Company as at 30th September 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof for the quarter ended September 30, 2023.

2.2.2 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2.3 These condensed financial information do not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2023.

## ZAHUR COTTON MILLS LIMITED

Notes to and forming part of the financial information

2.2.4 Comparative statement of financial position numbers are extracted from the annual un-audited financial statements of the Company for the year ended 30 June 2023, whereas comparatives of condensed interim statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the three months period ended 30th September, 2023.

2.2.5 These condensed interim financial statements are being submitted to the shareholders as required under Section 237 of the Companies Act, 17 ("the Act") and the Listing Regulations of Pakistan Stock Exchange Limited and are unaudited as required by the Act and Listed Companies (Code of Corporate Governance) Regulations 2019.

Note 3

### Use of estimates and judgements

- 3.1 The preparation of this condensed interim financial statements require the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 3.2 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 un-audited annual published Financial Statements of the Company for the year ended 30th June, 2023.

Note 4

### Statement of consistency in accounting policies

- 4.1 The accounting policies and methods of computations adopted for the preparation of this condensed interim Financial information are the same as applied in the preparation of the preceding annual published Financial Statements of the Company for the year ended 30th June, 2023.
- 4.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were either not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

Note 5

### Issued, subscribed and paid up capital

	UN-AUDITED SEP 30, 2023 Rupees	UN-AUDITED JUN 30, 2023 Rupees
Issued, subscribed and paid-up capital 9,860,000 (June 30, 2023: 9,860,000) Ordinary Shares of Rs.10 each fully paid in cash	<u>98,600,000</u>	<u>98,600,000</u>

- 5.1 No shares were issued or cancelled during the period (30-06-2023: Nil). Therefore, reconciliation of number of shares outstanding is not provided.

Note 6

### Trade and Other Payables

	UN-AUDITED SEP 30, 2023 Rupees	UN-AUDITED JUN 30, 2023 Rupees
Trade creditors	2,788,771	2,788,771
Advances from customers - unsecured	1,602,002	1,602,002
Accrued liabilities and advances - unsecured	8,727,722	8,652,722
	<u>13,118,495</u>	<u>13,043,495</u>

**ZAHUR COTTON MILLS LIMITED***Notes to and forming part of the financial information***6.1 Accrued liabilities and advances - unsecured**

		<b>UN-AUDITED SEP 30, 2023</b>	<b>UN-AUDITED JUN 30, 2023</b>
		Rupees	Rupees
Advances	6.1.1	1,373,927	1,373,927
Accrued liabilities	6.1.2	7,353,795	7,278,795
		<u>8,727,722</u>	<u>8,652,722</u>

6.1.1 Advances represents Rs. 609,149, Rs. 18,153, and Rs. 746,625 (30-06-2023: 1,373,927) payable to CEO / director, other related party and the associated company (associated due to common directorship) respectively. These amounts relates to expenditure incurred by the Director, other related party and the associated company on the Company's behalf.

6.1.2 This includes 6.37 million (30-06-2023 6.37 million) payable to CEO of the Company on account of salaries. During the period an increase of Rs 75,000 was on account of salaries payable to CFO of the company.

Note 7

**Short term borrowings**

		<b>UN-AUDITED SEP 30, 2023</b>	<b>UN-AUDITED JUN 30, 2023</b>
		Rupees	Rupees
7.1 These unsecured financing have been obtained from:			
<b>Related Parties - unsecured</b>			
- Chief Executive	7.2	12,500,302	12,500,302
- Others	7.3	13,450,199	13,450,199
<b>Other than related parties - unsecured</b>			
- ITANZ Technology (Pvt.) Limited	7.5	173,250	173,250
		<u>26,123,751</u>	<u>26,123,751</u>
7.2 <b>LOAN FROM CHIEF EXECUTIVE</b> is made up as follows:			
Balance at beginning of the Period		12,500,302	12,500,302
Add:			
Received during the period		-	-
Less:			
Repaid during the period		-	-
Balance at end of the period		<u>12,500,302</u>	<u>12,500,302</u>
7.3 <b>Loan from other related parties</b> is made up as follows:			
Balance at beginning of the Period		13,450,199	13,450,199
Add:			
Received during the period		-	-
Less:			
Repaid during the period		-	-
Balance at end of the period		<u>13,450,199</u>	<u>13,450,199</u>

**ZAHUR COTTON MILLS LIMITED***Notes to and forming part of the financial information*

7.4.1 These unsecured and interest free loans have been obtained from the related parties of the Company. These loans have been obtained to meet the working capital requirements of the Company and are repayable on demand.

	<b>UN-AUDITED SEP 30, 2023</b>	<b>UN-AUDITED JUN 30, 2023</b>
	Rupees	Rupees
7.5 <b>LOAN FROM ITANZ TECHNOLOGY (PVT.) LIMITED</b> is made up as follows:		
Balance at beginning of the Period	173,250	-
Add:		
Loan obtained during the period	-	173,250
	-	173,250
Less:		
Loan repaid / adjusted during the period	-	-
	-	-
Balance at end of the period	<u>173,250</u>	<u>173,250</u>

7.5.1 These unsecured and interest free loans have been obtained from a multinational Company which is situated at Office No 501-502, 5th Floor Fayyaz Centre, (SMCHS), Karachi, with which the Company intends to make acquisition/merger arrangement. These loans have been obtained to meet the working capital requirements of the Company and are repayable on demand.

Note 8

**Contingencies and commitments**

There were no material contingencies and commitments outstanding as at 30-09-2023 (30-06-2023: Nil).

Note 9

**Long Term Deposits**

This represents security deposit with WAPDA

Note 10

**Cash and Bank Balances**

	<b>UN-AUDITED SEP 30, 2023</b>	<b>UN-AUDITED JUN 30, 2023</b>
	Rupees	Rupees
Cash in Hand	1,695	1,695
<b>Balance with banks</b>		
- Current Accounts	6,185	6,195
- Demand deposits	2,120	2,120
- Savings Accounts	903	903
	<u>10,903</u>	<u>10,913</u>

**ZAHUR COTTON MILLS LIMITED***Notes to and forming part of the financial information*

Note 11

**Administrative Expenses**

	<b>THREE MONTHS ENDED 30TH SEPTEMBER</b>	
	<b>2023</b>	<b>2022</b>
	Rupees	Rupees
Salaries and Other Benefits	75,000	-
Communication Expenses	-	300
Fees and Subscriptions	-	110,000
	<u>75,000</u>	<u>110,300</u>

Note 12

**Loss per share**12.1 **Basic**

	<b>THREE MONTHS ENDED 30TH SEPTEMBER</b>	
	<b>2023</b>	<b>2022</b>
	Rupees	Rupees
Net Profit / (Loss) after taxation	(75,010)	(110,481)
Weighted average number of ordinary shares at the end of the period.	9,860,000	9,860,000
Net Profit / (Loss) after taxation	<u>(0.008)</u>	<u>(0.011)</u>

12.2 **Diluted**

There is no dilutive effect on the basic loss per share of the company.

Note 13

**Financial Instruments and related disclosures**

- 13.1 These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual un-audited financial statements for the year ended 30 June 2023. The Company's financial risk management objective and policies are consistent with that disclosed in the audited annual financial statements of the Company for the year ended 30 June 2023.
- 13.2 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values. The Company analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:
- Quoted prices [unadjusted] in active markets for identical assets or liabilities [level 1];
  - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly [i.e. as prices] or indirectly [i.e. derived from prices] [level 2]; and
  - Inputs for the asset or liability that are not based on observable market data [level 3].

**ZAHUR COTTON MILLS LIMITED**

*Notes to and forming part of the financial information*

Note 14

**Transactions with related parties**

The related parties comprise of subsidiary companies, associated companies, other related companies, directors of the Company and entities under common directorship, key management personnel and post employment benefit plans. Amounts due to related parties are shown under respective notes to these condensed interim financial statements. There are no related party transactions other than those disclosed in the relevant note.

Company is currently doing business in the personal property of Chief Executive and he is not charging any rent or utilities to the company.

Note 15

**Date of authorization for issue**

These Financial Statements were authorized for issue on October 25, 2023 by the Board of Directors of the Company.

Note 16

**General**

Figures in the financial statements have been rounded-off to the nearest rupee



**CHIEF EXECUTIVE**



**CHIEF FINANCIAL OFFICER**



**DIRECTOR**