

# Zahur Cotton Mills Ltd.

Off:- 623-B, PCSIR-II, Lahore  
Pakistan

March 18, 2024

To,

**Tahseen Raza,**  
Assistant Manager,  
Companies Compliance Department – RAD,  
**Pakistan Stock Exchange,**  
Stock Exchange Building, Stock Exchange Road,  
Karachi – 74000, Pakistan.

**Re: Suspension of Trading in the Shares of Zahur Cotton Mills Limited (ZHCM) /The Company**

Dear Sir,

This refers to your letter Ref. No. PSX/Gen-64 dated January 12, 2024, along with copy of PSX Notice No. PSX/N-43 dated January 12, 2024 on the subject of continuation of suspension of trading in the shares of the Company until such time the cause(s) of suspension have been rectified and furthermore advising us to update the progress made in rectification of default(s) mentioned in the notice.

In this regard, we are pleased to update you with the latest development in the process of bringing the Company's commercial production / business back into operation. Following is a brief on the steps taken on this subject:

1. ZHCM has signed a scheme of arrangement to merge the business operations of ITANZ Technology (Private) Limited ("ITANZ") into ZHCM. Itanz is a tech company that develops software and offers a range of Information Technology (IT) related solutions to its clients both in Pakistan and abroad. Pursuant to this proposed scheme, ITANZ would transfer all its assets and business operations to ZHCM against a consideration of ZHCM's new shares to be issued to the existing shareholders of ITANZ as per details explained in the Scheme of Arrangement. A copy of this Scheme of Arrangement has already been uploaded at PSX material information portal.
2. The Scheme of Arrangement was thoroughly review and approved by the Board of Directors of ZHCM and ITANZ. Information in this regard was duly uploaded at the PSX material information portal from time to time.
3. A petition bearing C.O. No. 13792 of 2024 has been moved before the Honourable Lahore High Court, Lahore under Sections 279 to 282 of the Companies Act 2017 by both ZHCM and ITANZ seeking sanction of the Scheme. The Honourable Court was pleased to pass an order, dated 01 March 2024, wherein it *inter alia* directed the two companies to hold extraordinary general meetings of its shareholders under the chairmanship of Ms. Asma Hamid, Advocate Supreme Court.

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4. The Extraordinary General Meetings (EOGM) of the shareholders of both ZHCM and ITANZ are scheduled to take place on 27 March 2024. At these meetings, the Scheme will be presented to the shareholders of each company seeking their approval.
5. Once the Scheme is approved by the Shareholders in their EOGM. The Scheme will be presented to the honourable court for final approval and issuance of the Order.
6. Through this Scheme of Arrangement, Business Operations of ZHCM will be revived as an IT services business. The merged entity will have its principal line of business changed to that of IT related services.

We hope that, above explains the progress made so far to revive the Company's Commercial Production and operations back in order and we trust that this will serve the interests of the Company's shareholders in the best possible manner.

We look towards your usual support and corporation to bring the trading in the Company's shares back to normal trading counter and we shall inshallah regularly update the Exchange on further development in the monthly progress report going forward.

Yours truly,

For Zahur Cotton Mills Limited,



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Syed Jawed Ali  
Chief Executive Officer