

# Zahur Cotton Mills Ltd.

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

**July 13, 2024**

To:

Pakistan Stock Exchange Limited,  
Stock Exchange Building, Stock Exchange Road, Karachi

Attention: Mr. Hafiz Maqsood Munshi,  
Manager, Companies and Securities Compliance Department – RAD,

**Subject: PSX Notice Re: Suspension of Trading in the Shares of Zahur Cotton Mills Limited (“ZHCM” or “The Company”).**

**Update on Progress to Remove Causes of Suspension**

Dear Sir,

This refers to the PSX Notice Ref. Gen 943 dated 11 July 2024 regarding continuation of suspension for another period of 60 days in the trading of shares of Zahur Cotton Mills Limited due to non-compliance of clause 5.11.1.(b)(f) of the PSX regulations i.e.,

1. Suspended commercial production / business operations in principle line of business.
2. Non induction of Ordinary Shares into CDC.

We are pleased to update that ZHCM is continuing with its efforts to reactivate its commercial operations and induct its shares into CDC. In this regarding we have our earlier submitted progress reports wherein we have explained that the Company is contemplating to restart its operations by merging an IT Company into Zahur Cotton Mills Limited. In continuation to our earlier Progress Reports we hereby update the progress made so far in the Merger Proceedings as follows:

1. Merger Scheme was filed with the honourable Lahore High Court, Lahore after approval from the Board of Directors and in compliance with other regulations.
2. Lahore High court already completed first hearing for the Merger Scheme and appointed the Cour Lawyers to conduct and supervise Extra Ordinary Meeting (EOGM) of the Shareholder to seek shareholder’s approval of the Merger Scheme.
3. EOGM was held on 27<sup>th</sup> March in which Shareholders approved the Merger Scheme. Court Lawyer shall submit their report to the Court soon.
4. 2<sup>nd</sup> hearing of the Lahore Cour was held on 11<sup>th</sup> June and an Order was issued on 25<sup>th</sup> June 2024 whereby the Company is advised to address the comments raised by SECP on the Scheme of Arrangement.

# Zahur Cotton Mills Ltd.

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

5. Next hearing of the Court is scheduled on 5<sup>th</sup> September 2024 where in the Company shall present replies to the SECP comments.
6. Meanwhile the Company has filed Application to the Competition Commission of Pakistan for their consent to the Merger. If processed by 5<sup>th</sup> September the Company shall also present the consent to the Court.

We are positive that Merger Scheme shall soon be finalised by the Court. As soon as the Court approves the Scheme of Arrangement, IT Company operations shall be merged into Zahoor Cotton Mills and going forward the Company shall have profitable operations to the benefit of its shareholders. We will also comply with the requirement of inducting Ordinary Shares into CDC soon.

We remain dedicated to achieving a positive outcome for our stakeholders and we look towards removing the causes of suspension at our earliest. Once the causes of Suspension of Trading are cured, we will be please to reach PSX and request to reactivate trading of the Company shares at PSX.

Yours truly,

For Zahur Cotton Mills Limited,



---

Syed Jawed Ali  
Chief Executive Officer