

# Zahur Cotton Mills Ltd.

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

**October 04, 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: Submission of Quarterly Progress Report to the Exchange for Dissemination to Market Participants - Zahur Cotton Mills Limited (“ZHCM” or “The Company”). PSX Notice Ref. Gen 1358 dated 30 September 2024.**

Dear Sir,

In reference to our previous communications regarding the progress report as stipulated under clause 5.11.3.(b) of the PSX regulations, we would like to provide the following updates:

- a) The company is actively taking steps to initiate or resume commercial production and business operations.
- b) A quarterly progress report has been submitted to the Exchange for dissemination to market participants.

We are pleased to inform you that Zahur Cotton Mills Limited (ZHCM) is making significant progress towards reactivating its commercial operations and preparing for the listing of its shares on the Central Depository Company (CDC). As previously communicated, ZHCM is engaged in a strategic merger with an IT company to revitalize its operations. Below is an update on the recent developments regarding the merger proceedings:

- 1) The Merger Scheme, approved by the Board of Directors, has been filed with the Honorable Lahore High Court, in compliance with relevant regulations.
- 2) The Lahore High Court has completed the initial hearings and appointed Court Lawyers to oversee the Extraordinary General Meeting (EOGM) of shareholders to seek approval for the Merger Scheme.

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- 3) On 27th March 2024, the EOGM was conducted, and the shareholders approved the Merger Scheme. The Court Lawyers have submitted their report to the Court.
- 4) A third hearing was held on 4th September, during which SECP was advised to review the company's response to their comments on the Scheme of Arrangement.
- 5) The next hearing is scheduled for 8th October 2024, where the SECP will present their response to the company's submission.
- 6) Meanwhile, the Competition Commission of Pakistan has granted approval for the business merger.

We are optimistic that the Court will soon finalize the Merger Scheme. Upon the Court's approval, the operations of the IT company will be integrated into Zahur Cotton Mills Limited, leading to profitable business operations for the benefit of our shareholders. Furthermore, we will ensure timely compliance with the requirements for listing ordinary shares on the CDC.

We remain committed to delivering a positive outcome for our stakeholders and are focused on the timely commencement and resumption of our business operations.

Yours truly,

For Zahur Cotton Mills Limited,

  


Syed Jawed Ali  
Chief Executive Officer