



HALF YEARLY REPORT

(UN-AUDITED)

HALF YEAR ENDED DECEMBER 31, 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 Members,

The Directors of Zahur Cotton Mills Ltd. (the "Company") are pleased to submit herewith Company's un-audited condensed interim financial statements duly reviewed by the Company's Auditors, for the half-year ended on **31st December 2023**.

During the period under review, the Company's operations remained closed, therefore no sales revenue is reported. The Net Loss for the period under review is **Rs. 0.49 million** as compared to the Net Loss of **Rs. 0.36 million** for a similar period, last year.

Adverse Review Report by Auditor:

As the Company's operations remained suspended for the past several years, the auditors have issued adverse report on the matter of use of Going concern assumption in the preparation of these condensed interim financial statement.

Future Prospects

Although the company had closed its operation, your directors have been working on a plan to revive the Company's operations by merging an Information Technology Company (**IT Company**) into **Zahur Cotton Mills Limited**. By this merger the IT Company shall place all its operations /assets/liabilities etc. into our Company in consideration for shares of Zahur Cotton Mills Ltd to be issued to the Shareholders of the IT Co. In this regard substantial work has been completed and soon a Scheme of Amalgamation shall be filed to the Honorable High Court for approval of the Merger Scheme. After Scheme of Amalgamation is approved by the Lahore High Court, your directors are committed to do the needful and apply to SECP and Pakistan Stock Exchange to remove the Company from the Defaulters / Suspension counter so that the Company's shares can be traded on the Pakistan Stock Exchange.

This strategic initiative represents a crucial step in reinvigorating our company's future and unlocking substantial benefits to our valued Shareholders. We do believe that with the completion of this IT business merger, the company would be operational with a focus on enhancing its operational efficiency and maximizing value for shareholders, employees, customers, and partners, positioning us for long-term success.

We express our sincere gratitude to the Board of Directors and management for their continued support and guidance which will remain throughout this transformative process. We also acknowledge the dedication and hard work of our employees, whose commitment will be instrumental in our success.

Sincerely,



Syed Jawed Ali
Chief Executive Officer



Muhammad Sheraz
Director

ڈائریکٹرز کی جائزہ رپورٹ

محترم ارکان،
ظہور کائن ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 دسمبر 2023ء کو ختم ہونے والے نصف سال کے لئے کمپنی کے غیر آڈٹ شدہ عبوری مالی گوشواروں کے ساتھ پیش کرنے پر خوش ہیں۔
زیر غور مدت کے دوران، کمپنی کے آپریشنز بند رہے، لہذا کوئی سیلز آمدنی کی اطلاع نہیں ہے۔ اس عرصے کے دوران خالص خسارہ 0.49 ملین روپے ہے جبکہ گزشتہ سال اسی مدت کے لئے 0.36 ملین روپے کا خالص نقصان ہوا تھا۔

آڈیٹر کی جانب سے منفی جائزہ رپورٹ:

چونکہ کمپنی کا آپریشن گزشتہ کئی سالوں سے معطل ہے، آڈیٹرز نے ان مختصر عبوری مالی گوشواروں کی تیاری میں گوئنگ کنسرن مفروضے کے استعمال کے معاملے پر منفی رپورٹ جاری کی ہے۔

مستقبل کے امکانات:

اگرچہ کمپنی نے اپنا آپریشن بند کر دیا تھا، لیکن آپ کے ڈائریکٹرز ایک انفارمیشن ٹیکنالوجی کمپنی (ITANZ) کو ظہور کائن ملز لمیٹڈ میں ضم کر کے کمپنی کے آپریشنز کو بحال کرنے کے منصوبے پر کام کر رہے ہیں۔ اس انضمام کے ذریعے IT کمپنی اپنے تمام آپریشنز / اثاثے / واجبات وغیرہ ہماری کمپنی میں پیش کرے گی تاکہ ظہور کائن ملز لمیٹڈ کے حصص IT کمپنی کے شیئر ہولڈرز کو جاری کیے جائیں۔ اس سلسلے میں خاطر خواہ کام مکمل ہو چکا ہے اور جلد ہی انضمام اسکیم کی منظوری کے لئے عزت مآب ہائی کورٹ میں انضمام کی اسکیم دائر کی جائے گی۔ انضمام کی اسکیم لاپور ہائی کورٹ سے منظور ہونے کے بعد، آپ کے ڈائریکٹرز ضروری اقدامات کرنے کے لئے پرعزم ہیں اور کمپنی کو نابدندگان / معطلی کاؤنٹر سے نکالنے کے لئے SECP اور پاکستان اسٹاک ایکسچینج (PSX) کو درخواست دیتے ہیں تاکہ کمپنی کے حصص کی تجارت پاکستان اسٹاک ایکسچینج میں کی جا سکے۔

یہ تزویراتی اقدام ہماری کمپنی کے مستقبل کو ازسرنو تقویت دینے اور ہمارے قابل قدر شیئر ہولڈرز کو خاطر خواہ فوائد فراہم کرنے میں ایک اہم قدم کی نمائندگی کرتا ہے۔ ہمیں یقین ہے کہ اس IT کاروباری انضمام کی تکمیل کے ساتھ، کمپنی اپنی آپریشنل کارکردگی کو بڑھانے اور شیئر ہولڈرز، ملازمین، گاہکوں اور شراکت داروں کے لئے زیادہ سے زیادہ قیمت پر توجہ مرکوز کرنے کے ساتھ آپریشنل ہوگی، جو ہمیں طویل مدتی کامیابی کے لئے تیار کرے گی۔

ہم بورڈ آف ڈائریکٹرز اور انتظامیہ کا ان کی مسلسل حمایت اور رہنمائی پر تہ دل سے شکریہ ادا کرتے ہیں جو اس تبدیلی کے عمل کے دوران جاری رہیں گے۔ ہم اپنے ملازمین کی لگن اور سخت محنت کا بھی اعتراف کرتے ہیں، جن کا عزم ہماری کامیابی میں اہم کردار ادا کرے گا۔

مخلصانہ،

SHERAZ

محمد شیراز
ڈائریکٹر

سید جاوید علی
چیف ایگزیکٹو آفیسر

**ZAHUR COTTON MILLS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**



ALI AKHTAR ADNAN
Chartered Accountants

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBER OF ZAHUR COTTON MILLS LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **ZAHUR COTTON MILLS LIMITED** ("the Company") as at December 31, 2023 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion

1. At the reporting date, the Company has accumulated losses of Rs. 138.176 million (June 30, 2023: Rs. 137.686 million) as against issued, subscribed and paid up capital of Rs. 98.60 million (June 30, 2023: Rs. 98.60 million) and as of that date, the Company's current liabilities exceeded its current assets by Rs. 39.644 million (June 30, 2023: Rs. 39.154 million) resulting in liquidity problems. The operations of Company had been ceased due to working capital constraints and unfavorable business conditions therefore fixed assets including factory land and building were sold during the year ended June 30, 2022. The Company has also applied for Voluntarily Delisting from the Pakistan Stock Exchange on May 08, 2017 but decision is still pending. These factors





may cast significant doubt about the Company's ability to continue as a going concern 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 the interim financial statements. These situations along with non-availability of the complete form of the arrangement of acquisition / merger with M/s ITANZ Technology (Pvt) Limited indicate that the Company is no longer a going concern, the interim financial statements of the Company shall be prepared on a basis other than a going concern however, the Company has prepared its interim financial statements on going concern basis. Had the interim financial statements been prepared on basis other than going concern, many elements in the interim financial statements would have been materially affected. The effects on the interim financial statements have not been determined.

2. The Company has not charged the audit oversight fee under Audit Oversight Board (Operation) Regulations, 2018 since its promulgation. Had the company charged the fee, for the period, the loss after tax would have been increased by Rs. 17,500 (December 31, 2022; Rs 17,500) and at the reporting date, the accumulated losses would have been increased by Rs. 240,000/- and the related liabilities would have been reported at Rs. 240,000/-.
3. The Company carried the liabilities on the account of trade creditors, advances from customers and accrued liabilities amounting to Rs. 2.788 million, Rs. 1.602 million and Rs. 8.665 million respectively as at December 31, 2023 as per Note 08 of the interim financial statements. We were unable to complete our review on the existence, obligation and valuation on trade creditors, advances from customers and accrued liabilities because we were not provided any related records.
4. Owing to non-appointment of legal advisor under regulations of the Companies (Appointment of Legal Advisers) Act, 1976 and the internal council, we were unable to complete our review on the status and amount of cases, non-compliances of laws or other litigation, if any.
5. We were unable to complete our review on the existence, right and valuation of long-term deposit of Rs. 68,210/-, appearing in Note 05 to the interim financial statements because we were not provided any related records.

Adverse Conclusion

Based on our review, as described in the Basis for adverse conclusion paragraph of this report, the interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



ALI AKHTAR ADNAN
Chartered Accountants

Other Matter

We have already issued the adverse opinion and conclusion on the financial statements for the full year and the half year ended on June 30, 2023 and December 31, 2022 respectively.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Ali.

ALI AKHTAR ADNAN
Chartered Accountants

Lahore

Date: 26 February, 2024

UDIN: RR202310097damYosti7

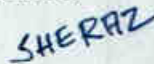
ZAHUR COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2023

	Note	31 DEC 2023 UN-AUDITED	30 JUNE 2023 AUDITED
----- Rupees -----			
ASSETS			
NON-CURRENT ASSETS			
Long Term Deposits	5	68,210	68,210
		68,210	68,210
CURRENT ASSETS			
Income Tax Refunds due from the Government		1,912	1,912
Cash and Bank Balances	6	10,703	10,913
		12,615	12,825
Total assets		80,825	81,035
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		200,000,000	200,000,000
20,000,000 (30 June, 2023: 20,000,000) ordinary shares of Rs. 10/- each			
Issued, subscribed and paid up share capital	7	98,600,000	98,600,000
9,860,000 (30 June, 2023: 9,860,000) ordinary shares of Rs. 10/- each fully paid in cash			
Revenue reserve		(138,176,421)	(137,686,211)
Total Equity		(39,576,421)	(39,086,211)
Non-current liabilities			
		-	-
Current liabilities			
Trade and other payables	8	13,206,495	13,043,495
Short term borrowings	9	26,450,751	26,123,751
		39,657,246	39,167,246
Contingencies and commitments	10	-	-
Total liabilities		39,657,246	39,167,246
Total equity and liabilities		80,825	81,035

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

Ali

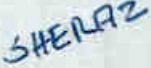
ZAHUR COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	SIX MONTHS ENDED 31 DECEMBER		THREE MONTHS ENDED 31 DECEMBER	
		2023	2022	2023	2022
		----- Rupees -----		----- Rupees -----	
Sales		-	-	-	-
Cost of sales		-	-	-	-
Gross Profit		-	-	-	-
Administrative expenses	11	(490,000)	(357,500)	(292,000)	(160,500)
Other Income		-	-	-	-
Profit / (Loss) from Operations		(490,000)	(357,500)	(292,000)	(160,500)
Finance Cost		(210)	(265)	(200)	(180)
Profit / (Loss) before taxation		(490,210)	(357,765)	(292,200)	(160,680)
Taxation		-	-	-	-
Profit / (Loss) after tax for the period		(490,210)	(357,765)	(292,200)	(160,680)
Loss per share - basic and diluted	12	(0.05)	(0.04)	(0.03)	(0.02)

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

ZAHUR COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME / (LOSS) (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	SIX MONTHS ENDED 31 DECEMBER,		THREE MONTHS ENDED 31 DECEMBER	
	2023	2022	2023	2022
	----- Rupees -----		----- Rupees -----	
Profit / (Loss) after tax for the period	(490,210)	(357,765)	(292,200)	(160,680)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(490,210)</u>	<u>(357,765)</u>	<u>(292,200)</u>	<u>(160,680)</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer

SHERAZ
Director

Ali

ZAHUR COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Note	31 DEC 2023 Un-AUDITED	31 DEC 2022 Un-AUDITED
	----- Rupees -----	
Cash flows from operating activities		
Net Profit / (Loss) for the period before taxation	(490,210)	(357,765)
Adjustments for non cash items:		
- finance cost	210	265
	<u>(490,000)</u>	<u>(357,500)</u>
Changes in working capital		
Decrease in current liabilities		
- Trade and other payables	163,000	200,000
Cash used in operations	<u>(327,000)</u>	<u>(157,500)</u>
Finance cost	(210)	(265)
Net cash outflows from operating activities	<u>(327,210)</u>	<u>(157,765)</u>
Cash flows from investing activities	-	-
Cash flows from financing activities		
Short term borrowings	327,000	145,500
Net cash inflows from Financing activities	<u>327,000</u>	<u>145,500</u>
Net decrease in cash /cash equivalents	(210)	(12,265)
Cash and cash equivalents at the beginning of the period	10,913	23,426
Cash and cash equivalents at end of the period	<u>10,703</u>	<u>11,161</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer

SHERAZ

Director

ZAHUR COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Issued, subscribed and paid up share capital	Revenue Reserves	Total Equity
		(Accumulated Loss)	
Rupees			
Balance as at June 30, 2022 -Audited	98,600,000	(136,940,448)	(38,340,448)
Loss for the period	-	(357,765)	(357,765)
Other comprehensive income / (Loss) for the period	-	-	-
Balance as at December 31, 2022 - Un-audited	98,600,000	(137,298,213)	(38,698,213)
Balance as at June 30, 2023 -Audited	98,600,000	(137,686,211)	(39,086,211)
Loss for the period	-	(490,210)	(490,210)
Other comprehensive income / (Loss) for the period	-	-	-
Balance as at December 31, 2023 - Un-audited	98,600,000	(138,176,421)	(39,576,421)

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

Ali

ZAHUR COTTON MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 Corporate Information

1.1 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 is domiciled in Pakistan and its registered office is situated at 623-B PCSIR II, Lahore. The factory/mills was situated at 94 Km Multan Road, near Pul Jaurian, Akhtarabad, District Okara.

2 Basis of preparation

2.1 Going concern assumption

At the reporting date, the Company has accumulated losses of Rs. 138.176 million (June 30, 2023: Rs. 137.686 million) as against issued, subscribed and paid up capital of Rs. 98.60 million (June 30, 2023: Rs. 98.60 million) and as of that dates, the Company's current liabilities exceeded its current assets by Rs. 39.644 million (June 30, 2023: Rs. 39.154 million) resulting in liquidity problems. The operations of Company had been ceased due to working capital constraints and unfavorable business conditions therefore fixed assets including factory land and building were sold during the year ended June 30, 2022. The Company has also applied for Voluntarily Delisting from the Pakistan Stock Exchange on May 08, 2017 but decision is still pending. These factors may cast significant doubt about the Company's ability to continue as a going concern 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 the condensed interim financial statements.

In spite of above situation, the management is confident to enter into a binding merger agreement with M/s ITANZ Technology (Pvt.) Limited after taking approval from the competent authorities, therefore, these condensed interim financial statements have been prepared on a going concern basis.

2.2 Basis of accounting

2.2.1 These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company as at 31 December 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 half year ended 31 December 2023.

2.2.2 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Provisions 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 interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 June 2023.

ZAHUR COTTON MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

2.2.4 Comparative statement of financial position figures are extracted from the annual audited financial statements of the Company for the year ended 30 June 2023, whereas comparative figures of statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are extracted from unaudited condensed interim financial statements of the Company for the half year ended 31 December 2022.

2.2.5 These condensed interim financial statements are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and the Listing Regulations of Pakistan Stock Exchange Limited and are unaudited but subject to limited scope review by external auditors as required by the Act and Listed Companies (Code of Corporate Governance) Regulations, 2019.

3 Use of estimates and judgments

The preparation of the condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key source of estimation uncertainty are the same as those applied in the preparation of audited financial statements for the year ended 30 June 2023.

4 Statement of consistency in accounting policies

4.1 The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements are same as those applied in the preparation of the audited financial statements for the year ended 30 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.

ZAHUR COTTON MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

5 This represents security deposit with WAPDA.

31 DEC 2023 Un-AUDITED	30 JUNE 2023 AUDITED
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6 Cash and Bank Balances

	31 DEC 2023 Un-AUDITED	30 JUNE 2023 AUDITED
Cash in hand	1,495	1,695
Balance with banks		
Local currency:		
- Current accounts	6,185	6,195
- Demand deposits	2,120	2,120
- Savings accounts	903	903
	9,208	9,218
	10,703	10,913

6.1 All bank accounts except current accounts in Al Baraka Bank and MCB Bank Limited are dormant. The proposal to write off the balances in the dormant accounts have been placed before the Board of Directors.

31 DEC 2023 Un-AUDITED	30 JUNE 2023 AUDITED
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7 Issued, subscribed and paid up capital

	31 DEC 2023 Un-AUDITED	30 JUNE 2023 AUDITED
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.	98,600,000	98,600,000
	98,600,000	98,600,000

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

31 DEC 2023 Un-AUDITED	30 JUNE 2023 AUDITED
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8 Trade and Other Payables

		31 DEC 2023 Un-AUDITED	30 JUNE 2023 AUDITED
Trade creditors		2,788,771	2,788,771
Advances from customers - unsecured		1,602,002	1,602,002
Accrued liabilities and advances - unsecured	8.1	8,665,722	8,392,722
Auditors' remuneration		150,000	260,000
		13,206,495	13,043,495
8.1 Accrued liabilities and advances			
Advances	8.1.1	1,373,927	1,373,927
Accrued liabilities	8.1.2	7,291,795	7,018,795
		8,665,722	8,392,722

8.1.1 Advances represents Rs.609,149, Rs. 18,153, and Rs. 746,625 (June, 2023: 1,373,927) payable to former CEO / director, other related party and the associated Company M/s Technic Engineering & Fabrication (Pvt) Limited (associated due to common directorship) respectively. These amounts relates to expenditure incurred by former Director, other related party and the associated Company on the Company's behalf.

8.1.2 This includes 6.067 million (June, 2023: 6.067 million) payable to the former CEO of the Company on account of salaries. It also includes 0.45 million (June, 2023: 0.3 million) on account of salaries payable to the Company's CFO. During the period, accrued liabilities increased by Rs 150,000 and Rs. 123,000 were on account of salaries payable to CFO and annual listing fee payable to Pakistan Stock Exchange Limited respectively.

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ZAHUR COTTON MILLS LIMITED
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		31 DEC 2023	30 JUNE 2023
		Un-AUDITED	AUDITED
		————— Rupees —————	
9 Short term borrowings			
From related parties - unsecured	9.1	25,950,501	25,950,501
From other than related parties - unsecured			
ITANZ Technology (Pvt.) Limited	9.2	500,250	173,250
		<u>26,450,751</u>	<u>26,123,751</u>

9.1 These unsecured and interest free loans have been obtained from Mr. Javed Zahur (Ex-CEO) and Mr. Hassan Zahur (Son of Mr. Javed Zahur) amounting to Rs. 12,500,303 (June 2023: 12,500,303) and Rs. 13,450,198 (June 2023: 13,450,198) respectively. These loans have been obtained to meet the working capital requirements of the Company and are repayable on demand.

9.2 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.

10 Contingencies and Commitments

There were no material contingencies and commitments outstanding as at 31-12-2023 (30-06-2023: Nil).

11 Administrative Expense

	SIX MONTHS ENDED		QUARTER ENDED		
	31 DECEMBER,		31 DECEMBER,		
	2023	2022	2023	2022	
		————— Rupees —————		————— Rupees —————	
Salaries and Other Benefits	150,000	150,000	75,000	75,000	
Communication Expenses	-	10,000	-	10,000	
Subscription & fee	123,000	110,000	-	-	
Printing and Stationary	-	10,500	-	10,500	
Advertisement	67,000	15,000	67,000	15,000	
Miscellaneous Expenses	-	12,000	-	-	
Auditor's remuneration 11.1	150,000	50,000	150,000	50,000	
	<u>490,000</u>	<u>357,500</u>	<u>292,000</u>	<u>160,500</u>	

11.1 Auditor's remuneration

	SIX MONTHS ENDED		QUARTER ENDED		
	31 DECEMBER,		31 DECEMBER,		
	2023	2022	2023	2022	
		————— Rupees —————		————— Rupees —————	
Special Audit fee	100,000	-	100,000	-	
Fee of review of half yearly financial statements	50,000	50,000	50,000	50,000	
	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	

11.1.1 The half yearly auditor's review fee of Rs. 50,000 was not accounted for mistakenly in the last published condensed interim financial statements ended on December 31, 2022 however the same was accounted for in the annual published financial statements for the year ended 30 June 2023. The effect thereof has been taken in relevant components of these condensed financial statements.

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12 Loss per share

	SIX MONTHS ENDED 31 DECEMBER,		QUARTER ENDED 31 DECEMBER,	
	2023	2022	2023	2022
	-----Rupees-----		-----Rupees-----	
12.1 Basic				
Net Profit / (Loss) after taxation	(490,210)	(357,765)	(292,200)	(160,680)
Weighted average number of ordinary shares at the end of the period	9,860,000	9,860,000	9,860,000	9,860,000
Loss per share	<u>(0.05)</u>	<u>(0.04)</u>	<u>(0.03)</u>	<u>(0.02)</u>

12.2 Diluted

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

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 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].

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.

There were no transactions with related parties during the period (December 31, 2022: Nil)

14.1 Outstanding balance as at the period end

Name of related party	Relationship		31 DEC 2023	30 JUNE 2023
			Un-AUDITED	AUDITED
			----- Rupees -----	
Mr. Javed Zahur	Major Sponsor	8.1.1	609,149	609,149
Mr. Javed Zahur	Major Sponsor	8.1.2	6,067,000	6,067,000
Mr. Javed Zahur	Major Sponsor	9.1	12,500,303	12,500,303
Mr. Hassan Zahur	Son of Mr. Javed Zahur	8.1.1	18,153	18,153
Mr. Hassan Zahur	Son of Mr. Javed Zahur	9.1	13,450,198	13,450,198
M/s Technic Engineering & Fabrication (Pvt) Ltd	Associate Company	8.1.1	746,625	746,625

At

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14.2 All transactions with related parties were carried at fair value except short term loan, advances, office, utility and the remuneration to Chief executive & Directors.

Following are the reasons for transacting not at fair value:

- Short-term loans and advances were interest-free. It was the discretion of the parties that they were not receiving any interest from the company.
- As the business of the company was suspended and the registered office was the personal property of the CFO and he was not charging any rent and utilities from the company.
- It was the discretion of the Chief executive & Directors that they were not receiving any remuneration from the company.

15 Events after the reporting period

There were no non adjusting events after the reporting date.

16 Date of Authorization

These financial statements were authorized for issue on February 26, 2024 by the Board of Directors.

17 General

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



Chief Executive



Chief Financial Officer



Director