



HALF YEARLY REPORT

(UN-AUDITED)

HALF YEARENDED DECEMBER 31, 2024

Contents

Corporate Information

BOARD OF DIRECTORS

- | | |
|--------------------------------|-------------------------------|
| 1. Mr. Imran Zaid | Chairman/Independent Director |
| 2. Ms. Javeria Malik | Independent Director |
| 3. Ms. 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

EXTERNAL AUDITORS

Ali Akhter Adnan
Chartered Accountants

SHARE REGISTRAR

Corplink (Private) Limited

COMPANY SECRETARY

Mr. Muhammad Faheem Qureshi

LEGAL COUNSEL

House of Magna Cum Laude

TAX ADVISOR

Anwar, Tariq & Co. Chartered Accountants

REGISTERED 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 Board of Directors of Zahur Cotton Mills Ltd. (the "Company") is pleased to present the Company's unaudited condensed interim financial statements for the half-year ended December 31, 2024, duly reviewed by the Company's External Auditors.

As you know, the prolonged suspension of commercial operations has continued to impact the Company's performance, leading to the absence of sales activity for the period under review.

During the period under review, the Company's operations remained suspended, resulting in no reported sales revenue. Consequently, the Net Loss for the period amounted to Rs. 0.426 million, compared to a Net Loss of Rs. 0.490 million for the corresponding period in the previous year.

This translates into a loss per share of Rs. (0.05) for the Half year, compared to a loss per share of Rs. (0.05) recorded in the same period last year.

Future Prospects

We are pleased to inform our esteemed shareholders that, by the grace of Allah Almighty, the Company is in the final stage of a strategic business merger with Itanz Technology Private Limited, a well-established player in the Information Technology sector. The merger awaits the sanctioning order from the Lahore High Court, Lahore, which will formally solidify this transformational step.

The successful completion of this merger marks a defining moment in the Company's revival, paving the way for the resumption of operations, financial turnaround, and long-term sustainability. By leveraging synergies, this partnership will unlock new growth avenues, expand service capabilities, and fortify our market positioning.

Furthermore, this milestone will enable the Company's transition from the defaulter counter to the regular counter on the Pakistan Stock Exchange (PSX), thereby restoring investor confidence and reinforcing long-term value creation for our shareholders.

We remain steadfastly committed to maximizing the opportunities that this merger presents, ensuring a prosperous future for all stakeholders.

Gratitude and Commitment:

We express our sincere appreciation to our esteemed shareholders for their unwavering confidence and steadfast support.



Imran Zaid
Chairman



Syed Jawed Ali
Chief Executive Officer

ڈائریکٹرز کا جائزہ رپورٹ

محترم اراکین،
زہور کائن ملز لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کو یہ اعزاز حاصل ہے کہ وہ آپ کے سامنے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی بیانات برائے نصف سال جو 31 دسمبر 2024 کو اختتام پذیر ہوا، پیش کریں، جو کمپنی کے بیرونی آڈیٹرز کے ذریعے باقاعدہ جائزہ لیا گیا ہے۔
جیسا کہ آپ جانتے ہیں، تجارتی سرگرمیوں کی طویل معطلی نے کمپنی کی کارکردگی کو متاثر کیا ہے، جس کے نتیجے میں زیر جائزہ مدت میں فروخت کی کوئی سرگرمی نہیں ہوئی۔
زیر جائزہ مدت کے دوران، کمپنی کی آپریشنز معطل رہے، جس کے باعث کوئی فروخت آمدنی رپورٹ نہیں کی گئی۔ اس کے نتیجے میں، اس مدت کے دوران خالص نقصان 0.426 ملین روپے رہا، جو پچھلے سال کے اسی مدت کے خالص نقصان 0.490 ملین روپے کے مقابلے میں کم ہے۔
یہ نصف سال کے لیے فی شیئر نقصان 0.05 روپے کے برابر ہے، جبکہ گزشتہ سال اسی مدت میں بھی فی شیئر نقصان 0.05 روپے ہی تھا۔

مستقبل کے امکانات

ہم اپنے معزز شیئر ہولڈرز کو یہ خوشخبری دینا چاہتے ہیں کہ اللہ تعالیٰ کے فضل و کرم سے، کمپنی ایک اسٹریٹجک کاروباری انضمام کے آخری مراحل میں ہے، جو ایتانز ٹیکنالوجی پرائیویٹ لمیٹڈ کے ساتھ ہو رہا ہے، جو انفارمیشن ٹیکنالوجی کے شعبے میں ایک مستحکم مقام رکھتی ہے۔ یہ انضمام لاہور ہائی کورٹ، لاہور سے منظوری کے منتظر ہے، جو اس انقلابی اقدام کو باقاعدہ قانونی شکل دے گا۔

اس انضمام کی کامیاب تکمیل کمپنی کی بحالی کے لیے ایک اہم موڑ ثابت ہوگی، جو آپریشنز کے دوبارہ آغاز، مالی استحکام، اور طویل مدتی پائیداری کی راہ ہموار کرے گی۔ یہ شراکت داری مشترکہ صلاحیتوں کے فوائد کو بروئے کار لاتے ہوئے نئے ترقی کے مواقع فراہم کرے گی، سروس کی صلاحیتوں کو بڑھائے گی، اور مارکیٹ میں ہماری پوزیشن کو مضبوط کرے گی۔
کے ڈیفالٹر کاؤنٹر سے معمول کے کاؤنٹر پر (PSX) مزید برآں، اس سنگ میل کی تکمیل کمپنی کو پاکستان اسٹاک ایکسچینج منتقل کرنے کے قابل بنائے گی، جو سرمایہ کاروں کے اعتماد کو بحال کرے گی اور ہمارے شیئر ہولڈرز کے لیے طویل مدتی قدر میں اضافہ کرے گی۔
ہم اس انضمام سے حاصل ہونے والے مواقع کو زیادہ سے زیادہ فائدہ پہنچانے کے لیے ہر عزم ہیں، تاکہ تمام متعلقہ فریقین کے لیے ایک خوشحال مستقبل یقینی بنایا جا سکے۔

شکریہ اور عزم

ہم اپنے معزز شیئر ہولڈرز کا دل کی گہرائیوں سے شکریہ ادا کرتے ہیں جنہوں نے ہمیشہ ہم پر اعتماد کیا اور ہمارا ساتھ دیا۔



عمران زید
چیئرمین



سید جاوید علی
چیف ایگزیکٹو آفیسر

ZAHUR COTTON MILLS LIMITED

FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024



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, 2024 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, 2024 and 2023 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, 2024.

Scope of Review

Except as described 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 Qualified Conclusion

1. The Company carried the liabilities on the account of trade creditors, advances from customers and accrued liabilities and advances amounting to Rs. 2.788 million, Rs. 1.602 million and Rs. 8.843 million respectively as at December 31, 2024 as per Note 06 of the interim financial statements. We were unable to complete our review for the existence, obligation and valuation thereof because we were not provided any related records.
2. The Company did not recognize the interest payable to associated company M/s Technic Engineering & Fabrication (Pvt) Ltd on outstanding balance of Rs. 746,625 as required by the section 199 of the Companies Act, 2017 nor were we able to measure the same as we were not provided any related records.





ALI AKHTAR ADNAN
Chartered Accountants

3. We were unable to complete our review on the existence, right and valuation of long-term deposit of Rs. 68,210/-, appearing in Note 09 to the interim financial statements because we were not provided any related records.

Qualified Conclusion

Based on our review, except for the possible effects of the matters as described in the basis of qualified conclusion paragraph, nothing has come to our attention that causes us to believe that 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.

Emphasis of matter

We draw attention of the members to

a. Note 2.1 of the interim financial statements which indicates that at the reporting date, the Company has accumulated losses of Rs. 139.611 million (June 30, 2024: Rs. 139.149 million) as against issued, subscribed and paid up capital of Rs. 98.60 million (June 30, 2024: Rs. 98.60 million) and as of that date, the Company's current liabilities exceeded its current assets by Rs. 41.080 million (June 30, 2024: Rs. 40.616 million) resulting in liquidity problems. Due to working capital constraints and unfavorable business conditions, the Company ceased operations, and all fixed assets, including plant and machinery, were sold during the year ended June 30, 2022.

The Merger Scheme under Section 279 to 285 of the Companies Act, 2017, between the Company and M/s ITANZ Technology (Pvt.) Limited has been submitted before the honorable Lahore High Court and accordingly approval has been taken by the shareholders of both entities in an Extraordinary General Meeting held on March 27, 2024. The Merger Scheme is subject to inherent risks and uncertainties, including approval of the Merger Scheme by the Honorable Lahore High Court. The above 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.

b. Note 8 of the interim financial statements which indicates instances of non-compliances of laws.

Our conclusion is not modified in respect of the above matters i.e a and b.

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

ALI AKHTAR ADNAN CHARTERED ACCOUNTANT
LAHORE

DATED: February 21, 2025

UDIN: RR202410097IWyeGYE3k

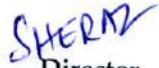
ZAHUR COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2024

	Note	31 DEC 2024 UN-AUDITED	30 JUNE 2024 AUDITED
Rupees			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		200,000,000	200,000,000
20,000,000 (June 30, 2024: 20,000,000) ordinary shares of Rs. 10/- each			
Issued, subscribed and paid up share capital	5	98,600,000	98,600,000
9,860,000 (June 30, 2024: 9,860,000) ordinary shares of Rs. 10/- each fully paid in cash			
Revenue reserve		(139,611,475)	(139,148,690)
Total Equity		(41,011,475)	(40,548,690)
Non-current liabilities			
Current liabilities			
Trade and other payables	6	13,613,495	13,663,495
Short term borrowings	7	27,469,957	26,957,507
		41,083,452	40,621,002
Contingencies and commitments	8	-	-
Total liabilities		41,083,452	40,621,002
Total equity and liabilities		71,977	72,312
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment		-	-
Long Term Deposits	9	68,210	68,210
		68,210	68,210
CURRENT ASSETS			
Income Tax Refunds due from the Government	10	1,912	1,912
Cash and Bank Balances	11	1,855	2,190
		3,767	4,102
Total assets		71,977	72,312

The annexed notes from 1 to 19 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, 2024

	Note	SIX MONTHS ENDED 31 DECEMBER		THREE MONTHS ENDED 31 DECEMBER	
		2024	2023	2024	2023
		Rupees		Rupees	
Revenue from contracts with customer		-	-	-	-
Cost of revenue		-	-	-	-
Gross Profit		-	-	-	-
Administrative expenses	12	(462,450)	(490,000)	(234,500)	(292,000)
Profit/ (Loss) from Operations		(462,450)	(490,000)	(234,500)	(292,000)
Finance Cost		(335)	(210)	(150)	(200)
Profit/ (Loss) before taxation		(462,785)	(490,210)	(234,650)	(292,200)
Taxation		-	-	-	-
Profit/ (Loss) after tax for the period		(462,785)	(490,210)	(234,650)	(292,200)
Profit/ (Loss) per share - basic and diluted	13	(0.05)	(0.05)	(0.02)	(0.03)

The annexed notes from 1 to 19 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 COMPREHENSIVE INCOME / (LOSS) (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	SIX MONTHS ENDED 31 DECEMBER,		THREE MONTHS ENDED 31 DECEMBER	
	2024	2023	2024	2023
	Rupees		Rupees	
Profit / (Loss) after tax for the period	(462,785)	(490,210)	(234,650)	(292,200)
Other comprehensive income				
Item that will not be reclassified subsequently to profit or loss				
Surplus on revaluation of property, plant and equipment of the company	-	-	-	-
Related Deferred tax - net	-	-	-	-
Total comprehensive (loss) / income for the period	(462,785)	(490,210)	(234,650)	(292,200)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

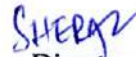
ZAHUR COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Issued, subscribed and paid up share capital	Revenue Reserves	Total Equity
	(Accumulated Loss)	
----- Rupees -----		
98,600,000	(137,926,211)	(39,326,211)
-	(490,210)	(490,210)
-	-	-
-	(490,210)	(490,210)
98,600,000	(138,416,421)	(39,816,421)
98,600,000	(139,148,690)	(40,548,690)
-	(462,785)	(462,785)
-	-	-
-	(462,785)	(462,785)
98,600,000	(139,611,475)	(41,011,475)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

ALP

ZAHUR COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Note	31 DEC 2024	31 DEC 2023
	Un-AUDITED	Un-AUDITED
	Rupees	
Cash flows from operating activities		
Net Profit / (Loss) for the period before taxation	(462,785)	(490,210)
Adjustments:		
- finance cost	335	210
- Gain on the sale of fixed Assets	-	-
	335	210
	(462,450)	(490,000)
Changes in working capital		
Decrease in current liabilities		
- Trade and other payables	(50,000)	163,000
Cash used in operations	(512,450)	(327,000)
Finance cost	(335)	(210)
Net cash outflows from operating activities	(512,785)	(327,210)
Cash flows from investing activities	-	-
Cash flows from financing activities		
Short term borrowings	512,450	327,000
Net cash inflows from Financing activities	512,450	327,000
Net decrease in cash /cash equivalents	(335)	(210)
Cash and cash equivalents at the beginning of the period	2,190	10,913
Cash and cash equivalents at end of the period	1,855	10,703

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

ZAHUR COTTON MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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. The area of land was 78 kanal 34 marla.

2 Basis of preparation

2.1 Going concern assumption

The Company has accumulated losses at the reporting date amounting to Rs. 139.611 million (June 30, 2024: Rs. 139.149 million) as against issued, subscribed and paid up capital of Rs. 98.60 million as at December 31, 2024 (June 30, 2024: Rs. 98.60 million) and as of that date, the Company's current liabilities exceeded its current assets by Rs. 41.080 million (June 30, 2024: Rs. 40.616 million) resulting in liquidity problems. Due to working capital constraints and unfavorable business conditions, the Company ceased operations, and all fixed assets, including plant and machinery, were sold during the year ended June 30, 2022. The trading of the Company's shares remains suspended due to non-compliance with clause 5.11.1(b)(f) of the PSX regulations.

The Merger Scheme under Section 279 to 285 of the Companies Act, 2017, between the Company and M/s ITANZ Technology (Pvt.) Limited has been submitted before the honorable Lahore High Court and accordingly approval were taken by the shareholders of both entities in an Extraordinary General Meeting held on March 27, 2024. The primary objective of the Scheme is, on the approval by the honorable Lahore High Court, to merge M/s ITANZ Technology (Pvt.) Limited with the Company, resulting in the transfer of all assets and liabilities of M/s ITANZ Technology (Pvt.) Limited to the Company. The merger includes the dissolution of M/s ITANZ Technology (Pvt.) Limited without winding up, with the issuance of ordinary shares in the Company to the existing shareholders of M/s ITANZ Technology (Pvt.) Limited based on the share ratio. Next hearing of the honorable Lahore High Court is scheduled on 24 February 2025.

The management of Company recognizes that the above Merger Scheme is subject to inherent risks and uncertainties, including approval of the Merger Scheme by the Honorable Lahore High Court. The above 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 financial statements. However, the management and legal advisor is of view of that the Merger Scheme will soon be approved by the Honorable Lahore High Court and there after M/s ITANZ Technology (Pvt.) Limited will be merged with the Company, with profitable operations and enabling the survival company to pay off all the liabilities. Accordingly, these financial statements have been prepared on going concern basis.

The Merger Scheme is available for all stakeholders to review on the company's official website and at its registered office, but it is not part and parcel of the financial statements.

ZAHUR COTTON MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

The net book value of M/s ITANZ Technology (Pvt.) Limited is given below.

	30 June 24 (Rupees)
Assets	
Non-current assets	
Property, plant and equipment	10,990,878
Capital work in process	76,090,219
	87,081,097
Current assets	
Accounts receivable	426,130,848
Due from director	1,456,075
Advances, deposits and other receivables	11,966,746
Cash & bank balances	33,077
	439,586,746
Total assets	526,667,843
Equity and liabilities	
Share capital and reserves	
Authorized share capital	
10,000,000 ordinary shares of Rs. 10/- each	100,000,000
Issued, subscribed and paid up share capital	500,000
50,000 ordinary shares of Rs. 10/- each fully paid in cash	
Revenue reserve	271,146,123
Total equity	271,646,123
Non Current Liabilities	
Current liabilities	
Short term loan	40,050,988
Current portion of liability against finance lease	1,797,385
Accounts payables	82,515,170
Accrued and other liabilities	129,280,696
Provision for taxation	1,377,481
	255,021,720
Contingencies and commitments	
Total liabilities	255,021,720
Total equity and liabilities	526,667,843

AP

ZAHUR COTTON MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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 2024 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 2024.
- 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 2024.
- 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 2024, 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 2023.
- 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 2024.

4 Statement of material accounting policy information

- 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 2024.
- 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, 2024

5 Issued, subscribed and paid up capital

Issued, subscribed and paid-up capital 9,860,000 (June 30, 2024: 9,860,000) Ordinary Shares of Rs.10 each fully paid in cash.

31 DEC 2024 Un-AUDITED	30 JUNE 2024 AUDITED
Rupees	
98,600,000	98,600,000
98,600,000	98,600,000

- 5.1 No shares were issued or cancelled during the period (June 30, 2024: Nil). Therefore, reconciliation of number of shares outstanding is not provided.

6 Trade and Other Payables

Trade creditors
Advances from customers - unsecured
Audit oversight board supervisory fee payable
Accrued liabilities and advances - unsecured
Auditors' remuneration

6.1

31 DEC 2024 Un-AUDITED	30 JUNE 2024 AUDITED
Rupees	
2,788,771	2,788,771
1,602,002	1,602,002
310,000	310,000
8,842,722	8,692,722
70,000	270,000
13,613,495	13,663,495
1,373,927	1,373,927
7,468,795	7,318,795
8,842,722	8,692,722

6.1 Accrued liabilities and advances

Advances
Accrued liabilities

6.1.1

6.1.2

- 6.1.1 Advances represents Rs.609,149, Rs. 18,153, and Rs. 746,625 (June 30, 2024: 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 shareholding) respectively. These amounts relates to expenditure incurred by former Director, other related party and the associated Company on the Company's behalf.

- 6.1.2 This includes 6.067 million (June 30, 2024: 6.067 million) payable to the former CEO (related party) of the Company on account of salaries. It also includes 0.75 million (June, 2024: 0.6 million) on account of salaries payable to the Company's CFO. During the period, accrued liabilities increased by Rs 150,000 on account of salaries payable to CFO.

7 Short term borrowings

From related parties - unsecured
From other than related parties - unsecured
ITANZ Technology (Pvt.) Limited

7.1

7.2

31 DEC 2024 Un-AUDITED	30 JUNE 2024 AUDITED
Rupees	
25,950,501	25,950,501
1,519,456	1,007,006
27,469,957	26,957,507

- 7.1 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 30, 2024: 12,500,303) and Rs. 13,450,198 (June 30, 2024: 13,450,198) respectively. These loans have been obtained to meet the working capital requirements of the Company and are repayable on demand.

- 7.2 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.

ZAHUR COTTON MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

8 Contingencies

8.1 As of December 2014, the Company has been suspended from the sales tax due to non-filing of its monthly sales tax returns. Under Section 33 (Chapter VII) of the Sales Tax Act, 1990, a penalty of Rs. 600,000 may be imposed for non-submission of the last five years monthly sales tax returns till reporting date, if tax department issue the notice and following plea of the Company are rejected by the appellate authority:

- In case, where is no revenue loss, penalties cannot be imposed, or;
- Appellate authority and tax department have discretionary jurisdiction to waive off the penalty.

8.2 Under Section 512(2) of the Companies Act, 2017, the Company may be imposed the penalty for non-compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, which can be up to five million rupees. Additionally, if the non-compliance continue, an extra penalty of up to one hundred thousand rupees may be imposed for each day the non-compliance persists.

Commitments

There were no material commitments outstanding as at December 31, 2024 (June 30, 2024: Nil).

9 Long Term Deposits

31 DEC 2024 Un-AUDITED	30 JUNE 2024 AUDITED
Rupees	
68,210	68,210
68,210	68,210

This represents security deposit with WAPDA.

10 Income Tax Refunds due from the Government

Income tax

31 DEC 2024 Un-AUDITED	30 JUNE 2024 AUDITED
Rupees	
1,912	1,912
1,912	1,912

11 Cash and Bank Balances

Cash in hand

Balance with banks

Local currency:

- Current accounts
- Demand deposits
- Savings accounts

31 DEC 2024 Un-AUDITED	30 JUNE 2024 AUDITED
Rupees	
1,695	1,695
160	495
-	-
-	-
160	495
1,855	2,190

228

ZAHUR COTTON MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

12 Administrative Expense

	SIX MONTHS ENDED 31 DECEMBER,		QUARTER ENDED 31 DECEMBER,	
	2024	2023	2024	2023
	Rupees		Rupees	
Salaries and Other Benefits	150,000	150,000	75,000	75,000
Communication Expenses	10,000	-	-	-
Subscription & fee	142,950	123,000	-	-
Advertisement	89,500	67,000	89,500	67,000
Auditor's remuneration	70,000	150,000	70,000	150,000
	462,450	490,000	234,500	292,000

12.1 Auditor's remuneration

	SIX MONTHS ENDED 31 DECEMBER,		QUARTER ENDED 31 DECEMBER,	
	2024	2023	2024	2023
	Rupees		Rupees	
Special Audit fee	-	100,000	-	100,000
Fee of review of half yearly financial statements	70,000	50,000	70,000	50,000
	70,000	150,000	70,000	150,000

13 Loss per share

	SIX MONTHS ENDED 31 DECEMBER,		QUARTER ENDED 31 DECEMBER,	
	2024	2023	2024	2023
	Rupees		Rupees	
13.1 Basic				
Net Profit / (Loss) after taxation	(462,785)	(490,210)	(234,650)	(292,200)
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	(0.05)	(0.05)	(0.02)	(0.03)

13.2 Diluted

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

14 Taxation

- 14.1** Deferred tax asset of Rs. 77,784,605 as at December 31, 2024 (June 30, 2024: Rs. 77,650,397) has not been recognized on any deductible temporary difference as no future taxable profits will be available against which these can be utilized.

ZAHUR COTTON MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

15 Financial Instruments and related disclosures

15.1 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 June 30, 2024. 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 June 30, 2024.

15.2 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].

16 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 (June 30, 2024: Nil)

16.1 Outstanding balance as at the period end

Name of related party	Relationship		31 DEC 2024	30 JUNE 2024
			Un-AUDITED	AUDITED
----- Rupees -----				
Mr. Javed Zahur	Major Sponsor	6.1.1	609,149	609,149
Mr. Javed Zahur	Major Sponsor	6.1.2	6,067,000	6,067,000
Mr. Javed Zahur	Major Sponsor	7.1	12,500,303	12,500,303
Mr. Hassan Zahur	Son of Mr. Javed Zahur	6.1.1	18,153	18,153
Mr. Hassan Zahur	Son of Mr. Javed Zahur	7.1	13,450,198	13,450,198
M/s Technic Engineering & Fabrication (Pvt) Ltd	Associate Company	6.1.1	746,625	746,625

16.2 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.

ZAHUR COTTON MILLS LIMITED
NOTES TO THE CONDEENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

17 Events after the reporting period

There were no non adjusting events after the reporting date.

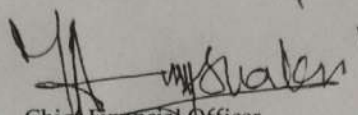
18 Date of Authorization

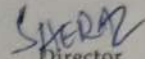
These financial statements were authorized for issue on 21.02.2025 by the Board of Directors.

19 General

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


Chief Executive


Chief Financial Officer


Director