



QUARTERLY REPORT

(UN-AUDITED)

**THIRD QUARTER
ENDED MARCH 31, 2025**

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

RESISTERED OFFICE

623-B PCSIR II, Lahore
www.zahurcotton.com

COMPANY REGISTRATION NO.

CUIN 0021566

BANKERS

MCB Bank Limited
Al Baraka Bank (Pakistan) Limited
Standard Chartered Bank (Pakistan) Ltd
Dubai Islamic Bank Limited

CONTACT INFORMATION

Registered Office: +92 301 7614313, +92 321 6644337
Web Site: <http://www.zahurcotton.com/>

Director's Report

The Board of Directors of Zahur Cotton Mills Limited (the "Company") is pleased to present the First Post-Merger Condensed Interim Financial Statements for the nine-month period ended March 31, 2025.

By the Grace of Almighty Allah, after a prolonged period of non-operations, the Company has successfully reported positive financial results following the completion of its merger with Itanz Technology (Private) Limited.

For the nine-month period ended March 31, 2025, the Company recorded a net profit of PKR 91.191 million, as compared to a net loss of PKR (0.57) million during the corresponding period of the previous year. The revenue for the period stood at PKR 247.745 million, demonstrating a significant improvement over nil revenue recorded in the same period last year.

This positive performance has translated into earnings per share (EPS) of PKR 9.25 for the nine months ended March 31, 2025, compared to a loss per share of PKR (0.06) for the corresponding period of the previous year.

The Board believes that these results reflect the early success of the Company's strategic transformation and its repositioning into the information technology sector. Moving forward, the Company remains committed to strengthening its operational foundations, driving sustainable growth, and maximizing value for its shareholders.

Future Prospect:

Once again, the Board of Directors of Zahur Cotton Mills Ltd. are pleased to announce that the Honorable Lahore High Court has approved the merger between Itanz Technology (Private) Limited and Zahur Cotton Mills Limited through its order dated March 17, 2025 (C.O. No. 13792 of 2024).

As part of this strategic consolidation and to better reflect our new technological focus, the Company will undergo a Corporate re-identification process. Following all necessary approvals, our corporate name will change from Zahur Cotton Mills Ltd. to Itanz Technologies Ltd. The corporate shifts will include the change of company name, change of principle line of business, increase of authorized capital, issuance of Paid-Capital to the Sponsor of Itanz Technology Private Limited, CDC eligibility and shifting of Company to regular counters of PSX Inshallah. These changes will be implemented in compliance with all regulatory requirements.

This merger marks a pivotal transformation as we evolve into a technology-driven enterprise, combining with Itanz Technology's IT expertise to create a stronger, more competitive entity positioned for growth in Pakistan's digital economy.

We trust, this will significantly enhance our market position and create substantial long-term value for our shareholders. The Board is confident that the merged entity, operating as Itanz Technologies Ltd., is well-positioned to capitalize on growth

opportunities in Pakistan's expanding IT sector, with strong potential for revenue growth and operational synergies.

Acknowledgement:

We extend our sincere appreciation to our valued shareholders for their continued trust and support during this transformative period. The Board remains committed to maintaining the highest standards of corporate governance, transparency, and value creation as we embark on this exciting new chapter.

The Board also extends its sincere appreciation to regulatory authorities, our legal-council, financial consultants and all other stakeholders for their continued support and confidence during this pivotal phase in the Company's journey.



Imran Zaid
Chairman



Syed Jawed Ali
Chief Executive Officer

ڈائریکٹر کی رپورٹ

ظہور کاٹن ملز لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز کو خوشی ہے کہ وہ آپ کے سامنے مارچ 2025، 31 کو ختم ہونے والی نو ماہ کی مدت کے لیے پہلی بعد از انضمام مختصر عہدوری مالیاتی رپورٹ پیش کر رہا ہے۔ اللہ تعالیٰ کے فضل و کرم سے، طویل عرصے تک بندش کے بعد کمپنی نے ITANZ TECHNOLOGY (PRIVATE) LIMITED کے ساتھ انضمام مکمل ہونے کے بعد مثبت مالی نتائج حاصل کیے ہیں۔ مارچ 2025، 31 کو ختم ہونے والی نو ماہ کی مدت کے دوران، کمپنی نے 91.191 ملین روپے کا خالص منافع حاصل کیا، جبکہ گزشتہ سال اسی عرصے میں 0.57 ملین روپے کا خالص خسارہ ریکارڈ کیا گیا تھا۔ اس مدت کے دوران کمپنی کی آمدنی 247.745 ملین روپے رہی، جو کہ پچھلے سال اسی عرصے میں صفحہ صفری، اور نمایاں بہتری کو ظاہر کرتی ہے۔ اس مثبت کارکردگی کے نتیجے میں کمپنی کی فی شیئر آمدنی (EPS) 9.25 روپے رہی، جبکہ گزشتہ سال اسی عرصے میں فی شیئر 0.06 روپے کا نقصان ریکارڈ کیا گیا تھا۔ بورڈ کا یقین ہے کہ یہ نتائج کمپنی کی اسٹریٹجک تبدیلی اور انفا ریٹیشن ٹیکنالوجی سیکٹر میں اس کی نئی پوزیشننگ کی ابتدائی کامیابی کو ظاہر کرتے ہیں۔ مستقبل کی طرف دیکھتے ہوئے، کمپنی اپنے آپریشنل ڈھانچے کو مضبوط بنانے، پائیدار ترقی کے فروغ اور اپنے حصص یافتگان کے لیے زیادہ سے زیادہ قدر پیدا کرنے کے عزم پر قائم ہے۔

مستقبل کا منظر نامہ

ایک بار پھر ظہور کاٹن ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کو یہ اعلان کرتے ہوئے خوشی محسوس ہو رہی ہے کہ معزز لاہور ہائی کورٹ نے 17 مارچ 2025 کے اپنے حکم نامے (C.O. NO.13792 of 2024) کے تحت ITANZ TECHNOLOGY (PRIVATE) LIMITED اور ظہور کاٹن ملز لمیٹڈ کے انضمام کی منظوری دے دی ہے۔ اس اسٹریٹجک انضمام کے تحت اور اپنی نئی ٹیکنالوجی پر مبنی شناخت کو بہتر طور پر ظاہر کرنے کے لیے کمپنی ایک کارپوریٹ ری-آئیڈنٹیفیکیشن کے عمل سے گزرے گی۔ تمام متعلقہ منظور یوں کے بعد کمپنی کا نام ظہور کاٹن ملز لمیٹڈ سے تبدیل ہو کر ITANZ TECHNOLOGIES LIMITED ہو جائے گا۔ اس کارپوریٹ تبدیلی میں کمپنی کے نام کی تبدیلی، کاروبار کی بنیادی لائن میں تبدیلی، مجاز سرمایہ میں اضافہ، ITANZ TECHNOLOGY (PRIVATE) LIMITED کے اسپانسر کو ادائ شدہ سرمایہ کا اجراء، CDC کی اہلیت اور کمپنی کا پاکستان اسٹاک ایکسچینج کے ریگولر کاؤنٹرز پر منتقلی، ان شاء اللہ، شامل ہوگی۔ یہ تمام تبدیلیاں تمام ضابطہ جاتی تقاضوں کے مطابق نافذ کی جائیں گی۔ یہ انضمام کمپنی کے لیے ایک اہم تبدیلی کا سنگ میل ہے، جس کے تحت ہم ITANZ TECHNOLOGY کی آئی ٹی مہارت کے ساتھ مل کر ایک مضبوط اور زیادہ مسابقتی ادارے میں ڈھل رہے ہیں، جو پاکستان کی ڈیجیٹل معیشت میں ترقی کے لیے بہتر طور پر تیار ہے۔ ہمیں یقین ہے کہ یہ اقدام ہماری مارکیٹ پوزیشن کو نمایاں طور پر بہتر کرے گا اور ہمارے حصص یافتگان کے لیے طویل المدتی قدر پیدا کرے گا۔ بورڈ کو اعتماد ہے کہ نیا مشترکہ ادارہ، جو ITANZ TECHNOLOGIES LIMITED کے نام سے کام کرے گا، پاکستان کے ترقی کرتے آئی ٹی سیکٹر میں ترقی کے مواقع سے فائدہ اٹھانے کے لیے بہترین پوزیشن میں ہوگا، اور آمدنی میں اضافے اور آپریشنل ہم آہنگی کی بھرپور صلاحیت رکھتا ہے۔

اعتراف:

ہم اپنے معزز حصص یافتگان کا دل کی گہرائیوں سے شکریہ ادا کرتے ہیں جنہوں نے اس تبدیلی کے دور میں اپنا اعتماد اور تعاون جاری رکھا۔ بورڈ پر عزم ہے کہ وہ اس نئے اور پرجوش باب میں کارپوریٹ گورننس، شفافیت اور قدر کی تخلیق کے اعلیٰ ترین معیار کو برقرار رکھے گا۔ بورڈ اپنی مخلصانہ قدردانی کا اظہار ریگولیٹری اتھارٹیز، ہمارے قانونی مشیران، مالیاتی مشیروں اور دیگر تمام اسٹیک ہولڈرز کے لیے بھی کرتا ہے، جنہوں نے کمپنی کے اس اہم مرحلے پر مسلسل اعتماد اور حمایت فراہم کی۔



سید جاوید علی
چیف ایگزیکٹو آفیسر



عمران زید
چیئر مین

ZAHUR COTTON MILLS LIMITED
FINANCIAL STATEMENTS
FOR THIRD QUARTER ENDED MARCH 31, 2025

ZAHUR COTTON MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Note	31-Mar-25 Rupees	30-Jun-24 Rupees
EQUITY AND LIABILITIES			
EQUITY			
Authorized share capital	5	200,000,000	200,000,000
Issued ordinary share capital	6	98,600,000	98,600,000
Shares to be issued under scheme of arrangement	7	76,324,000	-
Discount on issue of ordinary shares	8	(98,100,000)	-
Reserve on merger	9	(116,045,831)	-
Retained earnings		398,028,164	(139,148,690)
TOTAL EQUITY		358,806,333	(40,548,690)
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities		-	-
CURRENT LIABILITIES			
Trade and other payables		198,938,859	13,663,495
Income taxes payable		4,483,347	-
Short term borrowings		65,220,357	26,957,507
Current maturity of non-current liabilities		1,797,385	-
		270,439,948	40,621,002
TOTAL LIABILITIES		270,439,948	40,621,002
CONTINGENCIES AND COMMITMENTS			
	10	-	-
TOTAL EQUITY AND LIABILITIES		629,246,281	72,312

The annexed notes from 1 to 18 form an integral part of these financial statements



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAHUR COTTON MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Note	31-Mar-25 Rupees	30-Jun-24 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	9,059,223	-
Intangible assets		62,089,619	-
Long term deposits		68,210	68,210
		71,217,052	68,210
CURRENT ASSETS			
Trade receivables		535,448,434	-
Advances and other receivables		20,423,189	-
Income taxes refundable/adjustable		2,052,636	1,912
Cash and bank balances		104,970	2,190
		558,029,229	4,102
TOTAL ASSETS		629,246,281	72,312

The annexed notes from 1 to 18 form an integral part of these financial statements


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

ZAHUR COTTON MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

	Note	Nine-month period ended		Three-month period ended	
		31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
		Rupees [Un-audited]	Rupees [Un-audited]	Rupees [Un-audited]	Rupees [Un-audited]
Revenue from contracts with customers	12	247,745,123	-	126,652,136	-
Direct cost		(124,932,606)	-	(47,803,490)	-
Gross profit		122,812,517	-	78,848,646	-
Administrative expenses		(24,518,317)	(565,000)	(6,861,988)	(75,000)
Other income		3,917	-	-	-
Operating profit/(loss)		98,298,117	(565,000)	71,986,658	(75,000)
Finance cost		(6,572,801)	(210)	(1,688,527)	-
Profit/(loss) before income taxes		91,725,316	(565,210)	70,298,131	(75,000)
Provision for income taxes	13	(534,085)	-	(534,085)	-
Profit/(loss) after income taxes		91,191,231	(565,210)	69,764,046	(75,000)
Basic earnings/(loss) per share		9.25	(0.06)	7.08	(0.01)

The annexed notes from 1 to 18 form an integral part of these financial statements


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

ZAHUR COTTON MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

Note	Nine-month period ended		Three-month period ended	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
	Rupees	Rupees	Rupees	Rupees
	[Un-audited]	[Un-audited]	[Un-audited]	[Un-audited]
Profit/(loss) after income taxes	91,191,231	(565,210)	69,764,046	(75,000)
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income after income taxes	-	-	-	-
Total comprehensive income/(loss)	91,191,231	(565,210)	69,764,046	(75,000)

The annexed notes from 1 to 18 form an integral part of these financial statements


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

ZAHUR COTTON MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

	Note	Issued ordinary share capital Rupees	Shares to be issued under scheme of arrangement Rupees	Discount on issue of ordinary shares Rupees	Reserve on merger Rupees	Retained earnings Rupees	Total equity Rupees
As at 01 July 2023 - Audited		98,600,000	-	-	-	(137,926,211)	(39,326,211)
Total comprehensive income for the period							
Loss after income taxes		-	-	-	-	(565,210)	(565,210)
Other comprehensive income after income taxes		-	-	-	-	-	-
As at 31 March 2024 - Un-audited		98,600,000	-	-	-	(565,210)	(565,210)
Other transactions							
As at 01 April 2024 - Un-audited		98,600,000	-	-	-	(138,491,421)	(39,891,421)
Total comprehensive income for the period							
Loss after income taxes		-	-	-	-	(657,269)	(657,269)
Other comprehensive income after income taxes		-	-	-	-	-	-
As at 30 June 2024 - Audited		98,600,000	-	-	-	(139,148,690)	(40,548,690)
As at 01 July 2024 - Audited		98,600,000	-	-	-	(139,148,690)	(40,548,690)
Total comprehensive income for the period							
Profit after income taxes		-	-	-	-	91,191,231	91,191,231
Other comprehensive loss after income taxes		-	-	-	-	-	-
As at 31 March 2025 - Un-audited		98,600,000	76,324,000	(98,100,000)	(116,045,831)	445,985,623	308,163,792
Effects of scheme of arrangement	2	-	76,324,000	(98,100,000)	(116,045,831)	398,028,164	358,806,333
As at 31 March 2025 - Un-audited		98,600,000	76,324,000	(98,100,000)	(116,045,831)	398,028,164	358,806,333

The annexed notes from 1 to 18 form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

ZAHUR COTTON MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

	31-Mar-25	31-Mar-24
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before income tax	91,725,316	(565,210)
Adjustments for non-cash and other items		
Depreciation of property, plant and equipment	1,755,427	-
Amortization of intangible assets	10,956,992	-
Exchange gain	(3,917)	-
Finance cost	6,572,801	210
Profit/(loss) before changes in working capital	111,006,619	(565,000)
Changes in working capital		
Trade receivables	(109,313,669)	-
Advances and other receivables	(9,051,093)	-
Trade and other payables	15,985,194	238,000
Cash generated from/(used in) operations	8,627,051	(327,000)
Payments for:		
Finance cost	(6,572,801)	(210)
Net cash generated from/(used in) operating activities	2,054,250	(327,210)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(196,409)	-
Net cash used in investing activities	(196,409)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/increase in short term borrowings	(1,788,138)	327,000
Net cash (used in)/generated from financing activities	(1,788,138)	327,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	69,703	(210)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,190	10,913
CASH AND CASH EQUIVALENTS ACQUIRED UNDER SCHEME OF ARRANGEMENT	33,077	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	104,970	10,703

The annexed notes from 1 to 18 form an integral part of these financial statements



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAHUR COTTON MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

1 LEGAL STATUS AND OPERATIONS

Zahur Cotton Mills Limited ['the Company'] was incorporated under the repealed Companies Act, 1913 Ordinance, 1984 on 21 April 1990. The Company is a 'Public Company Limited by Shares' and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 623-B, PCSIR, Phase II, Lahore, Pakistan. The principal activity of the Company is manufacturing and sale of greige fabric. Consequent to approval of scheme of arrangement as discussed in note 2, the principal line of business will be amended to include rendering/providing consultancy services in the field of Information Technology (IT) and IT enables services including software development, installation and implementation and other IT related supplies and services.

2 AMALGAMATION UNDER SCHEME OF ARRANGEMENT

The Honourable Lahore High Court ['LHC'] vide its order dated 24 March 2025, has approved the Scheme of Arrangement for merger of the Company and ITANZ Technology (Private) Limited ['ITANZ'], wherein it was proposed to merge ITANZ with and into the Company with effect from 01 October 2023. Consequently, all assets, liabilities, contracts, licenses, obligations, and undertakings of ITANZ stand transferred to and vested in the Company as at the effective date against allotment and issue of ordinary shares in the Company to shareholders of ITANZ with ITANZ dissolved without winding up. The merger is a reverse acquisition in terms of paragraph B19 of IFRS 3 Business Combinations. Accordingly, ITANZ is the accounting acquirer (legal acquiree) while the Company is the accounting acquiree (legal acquirer).

In accordance with the scheme, the authorized share capital of the Company will be increased from Rs. 200 million comprising 20,000,000 ordinary shares of Rs. 10 each to Rs. 1,200 million, comprising 120,000,000 ordinary shares of Rs. 10 each, to accommodate the shares to be issued under the share swap arrangement.

As consideration for the merger, the Company will issue 97,961,500 fully paid ordinary shares to the shareholders of ITANZ. Following the issuance, the Company's paid-up share capital will increase to 107,821,500 ordinary shares. The valuation and share exchange ratio were determined based on a valuation report issued by an independent valuer, Aamir Salman Rizwan Chartered Accountants, using fair value assessments of both entities.

Post-merger, the business activities previously carried out by ITANZ continued as an integral part of the Company's operations, under the name and platform of the Company, without any disruption. Therefore, consequent to approval of scheme of arrangement, the principal line of business will be amended to include rendering/providing consultancy services in the field of Information Technology (IT) and IT enables services including software development, installation and implementation and other IT related supplies and services.

3 BASIS OF PREPARATION

These interim financial statements are un-audited and have been presented in condensed form and do not include all information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2024.

The comparative condensed interim statement of financial position as at 30 June 2024 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and related notes to the condensed interim financial statements for the nine-month period ended 31 March 2025 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended 31 March 2025 and 31 March 2024 are neither audited nor reviewed.

3.1 Statement of compliance

These 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 34 - Interim Financial Reporting, issued by International Accounting Standards Board [IASB] as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

ZAHUR COTTON MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

3.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost

3.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

3.4 Presentation currency

These interim financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these interim financial statements have been rounded to the nearest Rupees unless specified otherwise.

3.5 Date of authorization for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 30 April 2025.

4 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended 30 June 2024.

5 AUTHORIZED SHARE CAPITAL

31-Mar-25	30-Jun-24		Note	31-Mar-25	30-Jun-24
Shares	Shares			Rupees	Rupees
20,000,000	20,000,000	Ordinary shares of Rs. 10 each	5.1	200,000,000	200,000,000
20,000,000	20,000,000			200,000,000	200,000,000

- 5.1 As explained in note 2, in accordance with the scheme, the authorized share capital of the Company will be increased from Rs. 200 million comprising 20,000,000 ordinary shares of Rs. 10 each to Rs. 1,200 million, comprising 120,000,000 ordinary shares of Rs. 10 each, to accommodate the shares to be issued under the share swap arrangement. The Company is the process of increasing its authorized capital and the same is expected to be completed in due course.

6 ISSUED ORDINARY SHARE CAPITAL

31-Mar-25	30-Jun-24		Note	31-Mar-25	30-Jun-24
Shares	Shares			Rupees	Rupees
		Ordinary shares			
9,860,000	9,860,000	Issued for cash	6.1	98,600,000	98,600,000
9,860,000	9,860,000			98,600,000	98,600,000

- 6.1 As explained in note 2, as consideration for the merger, the Company will issue 97,961,500 fully paid ordinary shares to shareholders of ITANZ. The process of issuance of shares will commence once the authorized capital of the Company has increased as explained in note 5.1.

7 SHARES TO BE ISSUED UNDER SCHEME OF ARRANGEMENT

These represent shares to be issued under the scheme of arrangement. As explained in note 2, as consideration for the merger, the Company will issue 97,961,500 fully paid ordinary shares to shareholders of ITANZ. The process of issuance of shares will commence once the authorized capital of the Company has increased as explained in note 5.1.

ZAHUR COTTON MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

8 DISCOUNT ON ISSUE OF ORDINARY SHARES

The merged financial statements represent the continuation of the financial statements of ITANZ, being the accounting acquirer. Therefore, the merged financial statements reflect issued equity interests of the accounting acquirer before the merger. However, the equity structure (number of ordinary shares outstanding) reflects the equity structure of the Company, being the accounting acquiree. Accordingly, the excess of par value of issued ordinary shares of the Company over that of the issued ordinary shares of the accounting acquirer, immediately before the merger, has been recognized as discount on issue of ordinary shares.

9 RESERVE ON MERGER

This represents the difference between the consideration for merger, as explained in note 2, and book value of net assets of Zahur Cotton Mills Limited as at the effective date of merger.

10 CONTINGENCIES AND COMMITMENTS

There are no known contingencies and commitments as at the reporting date.

	Note	31-Mar-25 Rupees	30-Jun-24 Rupees
11 PROPERTY, PLANT AND EQUIPMENT			
Owned fixed assets	11.1	1,457,432	-
Right of use of assets	11.2	7,601,791	-
		9,059,223	-

11.1 Owned fixed assets

Net book value at beginning of the period/year	-	-
Assets transferred under the scheme of arrangement		
Net book value at the beginning of the period	1,674,958	-
Additions during the year	196,409	-
Depreciation for the period	(413,935)	-
	1,457,432	-
Net book value at end of the period/year	1,457,432	-

11.2 Right of use of assets

Net book value at beginning of the period/year	-	-
Assets transferred under the scheme of arrangement		
Net book value at the beginning of the period	8,943,283	-
Additions during the year	-	-
Depreciation for the period	(1,341,492)	-
	7,601,791	-
As at end of the period/year	7,601,791	-

	Nine-month period ended		Three-month period ended	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
	Rupees	Rupees	Rupees	Rupees
	[Un-audited]	[Un-audited]	[Un-audited]	[Un-audited]

12 REVENUE FROM CONTRACTS WITH CUSTOMERS

Development and other service				
- local	41,343,115	-	38,684,291	-
- exports	213,633,997	-	94,801,010	-
	254,977,112	-	133,485,301	-
Less: sales tax on local services supplied	(7,231,989)	-	(6,833,165)	-
	247,745,123	-	126,652,136	-

ZAHUR COTTON MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2025

13 PROVISION FOR INCOME TAXES

Provision for current taxation has been recognized under section 18 and 154A of the Income Tax Ordinance, 2001.

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The details of the Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date, are as follows:

Name of related party	Nature and basis of relationship
Mr. Javed Zahur	Key management personnel
Mr. Hassan Zahur	Key management personnel
Technic Engineering and Fabrication (Private) Limited	Associated Company [Common Directorship]

The Company continues to have a policy whereby all transactions with related parties entered into in the ordinary course of business are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction except for short term borrowings, advances payable, office, utility, director's and chief executive's remuneration. Detail of transactions with related parties during the reporting period and balances with them as at the reporting date are as follows:

14.1 Transactions with related parties

There were no transactions with the related party during the reporting period.

14.2 Balances with related parties

Nature of relationship	Nature of transactions		
Associated companies	Advances payable	746,625	746,625
Key management personnel	Advances payable	627,302	627,302
	Short term borrowings	25,950,501	25,950,501
	Short term employee benefits payable	6,067,000	6,067,000

15 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended 30 June 2024.

16 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.

17 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these interim financial statements.

18 GENERAL

18.1 There are no other significant activities since 30 June 2024 affecting the interim financial statements.

18.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR