ANNUAL REPORT
2020

ZAHUR COTTON MILLS LIMITED

بسم الله الرحمن الرحيم

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	MRS. MUKAMILA JAVED (Chairperson) MR. JAVED ZAHUR (Chief Executive) MS. RABIA ZAHUR MRS. MAHREEN GUL HASSAN MR. NAZIR AKHTAR MR. KHAN MUHAMMAD MR. M. TANVEER
AUDIT COMMITTEE	MS. RABIA ZAHUR MR. NAZIR AKHTAR MR. M TANVEER
COMPANY SECRETARY	MS. RABIA ZAHUR
AUDITORS	M/S. ANWAR, TARIQ & CO., CHARTERED ACCOUNTANTS 1ST FLOOR, 84-B-I, GHALIB ROAD, GULBERG III, LAHORE-54660 PAKISTAN
LEGAL ADVISOR	MR. QAMAR-UZ- ZAMAN
BANKERS	BANK AL-HABIB LIMITED HABIB METROPOLITAN BANK LIMITED MUSLIM COMMERCIAL BANK LIMITED AL-BARAKA BANK
REGISTERED OFFICE & MILLS	94TH K.M. LAHORE-MULTAN ROAD NEAR PUL JAURIAN, AKHTARABAD, DISTT. OKARA PAKISTAN
REGISTRAR	SHARES DEPARTMENT M/S. CORPLINK (PVT) LIMITED WINGS ARCADE, 1-K COMMERCIAL MODEL TOWN LAHORE. PHONE : (042) 35839182, 35887262 Fax: (042) 35869037

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th AGM of the company will be held on 28th October 2020 at 11 a.m at Registered Office 94 Km. Multan Road, Akhtarabad, Distt: Okara to transact the following business.

ORDINARY BUSINESS

1. To confirm the minutes of the last AGM of the Company.

2. To receive, consider & adopt the audited accounts of the Company for the year ended June 30th, 2020 together with Chairperson's Review, Auditors' and Directors' report thereon.

3. To appoint & fix remuneration of Auditor for the year ending June 30th, 2021.

Any other business with the permission of the chair.

BY ORDER OF THE BOARD

Lahore:
5th October, 2020

Company Secretary

NOTES:

1. The share transfer book of the company will remain closed from 21st to 28th October 2020 (both days inclusive).

2. A member eligible to attend and vote, may appoint another member as proxy to attend and vote in the meeting proxies in order to be effective.

3. Share holders are requested to immediately notify the change in address, if any.

VISION STATEMENT

To pay off entire liabilities, use of spare building for warehousing especially to pay of Liabilities at the earliest.

QUALITY MISSION STATEMENT

- We aim at maintaining the full confidence of our customers and lenders.
- Our culture stresses on employees participation to achieve quality results.
- We believe in changing with change in market conditions and technology.
- We also believe in involving our employees in up-gradation of skill and participation.

CHAIRPERSON'S REVIEW

I am pleased to present the Annual Review of the Company's performance, and the Audited Financial Statements for the year ending 30th June 2020.

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 an annual evaluation of the Board of Directors of Zahur Cotton Mills Limited is carried out. The purpose of this evaluation is to ensure that the Board’s overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

Financial indicators and significant events of the year have been made available to you over the fiscal year 2019-2020. During the course of the year, the board has reviewed, discussed and approved the financial statements and all the supporting documentation after thorough deliberation and critical analysis. The board has ensured that every board member has had an adequate opportunity to present their opinions on all operational and strategic matters of the Company.

Your Company is closed since long time and operations remained suspended during the year, therefore shutdown due to the Government enforced look-down brought about due to Corona Virus pandemic has no effect on the profitability of the Company except that the premises could not rented out due to Corona Virus pandemic.

Communication with the shareholders is given high priority. Annual, Half Yearly and Quarterly Accounts are circulated to them within the time specified in the Companies Act, 2017. The Company also has a website, which contains up to date information on Company's activities and financial reports. All Company's Reports are also posted on Pakistan Stock Exchange (PSX) website through its concerned department of PSX. Every opportunity is given to the individual shareholders to attend and ask freely the questions about the Company' affairs at the Annual General Meeting.

Pursuant to the updated Code of Corporate Governance, the Company is trying to ensure full compliance of the Code of Corporate Governance. These steps will undoubtedly improve board development, remuneration processes, accountability, audit, and relations with Shareholders. However, there are a few non-complainces which are disclosed in the statement of compliance of CCG regulation, 2019.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

The Board would like to thank all of their stakeholders and suppliers of the Company for their valuable support and sheer confidence. Such confidence has allowed the Company to perform in a difficult time.

Mrs. Mukamila Javed
Chairperson
Lahore
23rd SEPTEMBER, 2020

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, we welcome you to the 30th Annual General Meeting of the Company and present to you the audited financial statements and Auditor's Report thereon for the year ended June 30, 2020. Financial Results are as follows: -

	2020	2019
	Rupees	Rupees
Loss before Tax	(5,758,276)	(790,785)
Taxation	391,737	(1,018,014)
Loss after Tax	(5,366,539)	(1,808,799)
Other Comprehensive Income/(Loss)	-	-
Total Comprehensive Loss for the year	(5,366,539)	(1,808,799)
Accumulated loss	(227,808,973)	(223,401,515)
Incremental Depreciation on Revaluation	959,081	959,081
Loss per Share	(0.54)	(0.18)

Performance Review

The year under review shows that the company has earned net loss of Rs.5,366,539/- after accounting for administrative expenses of Rs.5,642,713/- including depreciation of Rs. 2,470,747 as compared to last corresponding year's net loss of Rs. 1,808,799/-. Due to the unfavourable market condition and non availability of working capital ,the operation of the Company remained closed during the year under consideration.

Delisting from Pakistan Stock Exchange

The Company has also applied for Voluntarily Delisting from the Pakistan Stock Exchange on 8th May, 2017 but decision is still pending.

Dividend

No dividend has been declared by the company during the year due to loss

COVID-19 EFFECTS

The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) has not effected the Company because the production and sale is suspended (closed) since long. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on the financial statements.

Compliance with Corporate Governance

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Listing Regulations, relevant for the year ended June 30, 2020 have been opted by the Company and have been complied with. A statement to this effect is annexed with the report.

In compliance with the provisions of the Code, the Board members are pleased to place the following statement on record:

The financial statements for the year ended June 30, 2020 present fairly its, state of affairs, the results of its operations, cash flow and changes in equity;

Proper books of accounts have been maintained;

Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2020 accounting estimates are based on reasonable and prudent judgment;

International Accounting Standards (IAS), as applicable in Pakistan, have been followed in preparation of financial statements;

The system of internal control is sound in design and has been effectively implemented and monitored;

There has been no material departure from the best practices of corporate governance, as detailed in listing regulations;

Almost half number of directors of the Company are exempt from the Directors' training program due to 14 years of education and 15 years of experience on the board of listed companies.

The Board of Directors has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations, and reliable financial reporting.

There has been some non compliances with best practices of corporate governance, as detailed in the listing regulations which has been disclosed in Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulation 2019

Information about taxes and levies is given in the notes to and forming part of financial statements.

Board of directors

The members of the Company elected new board in general meeting for a term of three years. The composition of the Board is as follows:

a. Male: 4
b. Female: 3

Independent: 2

Non-executive Directors: 3

Executive Directors: 2

During the year, four (4) Meeting of the Board of Directors were held. Attendance by each Director at the Board Meetings as under:-

Name of Directors	Meetings Attended
Mrs. Mukamila Javed	4
Mr. Javed Zahur	4
Miss Rabia Zahur	4
Mr. Nazir Akhtar	4
Mr. Khan Muhammad	4
Mr. Tanveer Ahmed	4
Mrs. Mehreen Gul Hassan	4

Pattern of shareholding is annexed (same as per last year).

COMMITTEES OF THE BOARD

Audit Committee

The audit committee (AC) reviews the annual, half yearly and quarterly financial statements, and information before dissemination to Pakistan Stock Exchange and proposes appointment of the external auditors for approval of the shareholders, apart from other matters of significant nature. The AC holds its meeting prior to the Board meeting. A total of four meetings of Audit Committee were held during the year under review. It includes statutory meeting with external auditors before start of annual audit.

Name of Director	Designation	No. of Meeting Held	No. of Meeting Attended
M/s Rabia Zahur	Chairperson	4	4
Mr. Nazir Akhtar	Member	4	4
Mr. Tanveer Ahmed	Member / Secretary	4	4

HR & Remuneration Committee:

Name of Director	Designation		
Mehreen Gul Hassan	Chairperson	1	1
Javed Zahur	Member	1	1
Mr. Tanveer Ahmed	Member / Secretary	1	1

The Human Resource and Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board of Directors.

DIRECTORS' REMUNERATION

The Company has an approved Director Remuneration policy

Aggregate amount of the remuneration paid to Chief executive, executive directors and non-executive directors have been disclosed in note 23 of the annexed financial statements.

RISK MANAGEMENT

It is our policy to view risk management as integral to the creation, protection and enhancement of shareholder value by managing the significant uncertainties and risks that could possibly influence the achievement of our corporate goals and objectives.

TRANSACTION / TRADE OF COMPANY'S SHARE

Directors, CEO, CFO, Company Secretary and their spouses and minor children have made no transaction in the company's shares during the year except as disclosed in the pattern of shareholding, if any.

Health, Safety and Environment:

We work continuously to ensure that our employees work in a safe and healthy working environment.

Appointment of Auditors

The present auditors M/s. Anwar Tariq & Co, Chartered Accountants retire and being eligible, offer themselves for re-appointment and as required by the code of corporate governance the Board on the proposal of Audit Committee has recommended appointment of M/s. Anwar Tariq & Co, Chartered Accountants, as auditors of the Company for the financial year ending June 2021.

Reply to Auditor's Observations (points a,b and c)

The auditors have raised doubts regarding the Company's ability to continue business as a going concern due to the working capital constrains, closure of business operations since long and unfavorable business conditions. The management is hopeful that the favorable business opportunities will be found in the near future which will enable the company to come out of this situation. We are further confident that continued support from directors / sponsors / other related parties will enable the company to remove working capital constraints. The management very briefly explained in note 3.1to the financial statements mitigating factors that are in company's favour to be going concern in foreseable future.

The qualification in audit report regarding trade creditors, accrued liabilities and advances from customers are the balances as on June 30, 2020. Your company is planning to restart the operations after getting delisted from Pakistan StockExcnage. These liabilities will be settled in full once the Company earns sufficient income either from its ordinary operations or rental business. we requested legal advisor to reply the auditors direct confirmation, however, he had not replied till the date of authorization of financial statements.

Future Prospect

The management is confident to restart its production and commercial activities in future subject to favorable conditions. The company intends to repay its partial liabilities on the restart of the operations and in the process of delisting from the stock exchange. Management is endeavoring to resume the production of the Company as soon as conditions get better in near future and funds have been arranged.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2020 and its disclosure, as required by the Code of Corporate Governance is annexed with this report.

FINANCIAL HIGHLIGHTS

The key financial highlights for the last 6 years performance of the Company are available in this report.

Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

ACKNOWLEDGEMENTS
The Chief Executive and Directors are grateful to the Company's shareholders and lenders for their support and guidance.

For and on behalf of the Board

Javed Zahur
(Director / Chief Executive)
Lahore
23rd SEPTEMBER, 2020

FINANCIAL HIGHLIGHTS

SIX YEARS FINANCIAL DATA AT GLANCE

PARTICULARS	FOR THE YEAR ENDED 30TH JUNE					
	2020	2019	2018	2017	2016	2015
TRADING RESULTS						
Other Income	10,000	6,569,205	3,126,141	9,193,785	14,115,962	3,877,556
Operating (Loss) / Profit	(5,758,276)	(790,785)	(1,898,198)	4,834,078	10,056,829	(2,216,636)
(Loss) / Profit before tax	(5,758,276)	(790,785)	(1,898,198)	4,834,078	10,056,829	(2,216,636)
(Loss) / Profit after tax	(5,366,539)	(1,808,799)	(2,214,814)	2,882,001	8,012,192	(2,255,412)
BALANCE SHEET						
Share Capital	98,600,000	98,600,000	98,600,000	98,600,000	98,600,000	98,600,000
Accumulated Loss	(227,808,973)	(223,401,515)	(222,551,797)	(221,285,413)	(224,557,028)	(232,569,220)
Non-Current Liabilities	11,661,113	12,052,850	128,317,980	129,365,367	117,428,715	119,357,215
Operating Fixed Assets	71,383,895	73,854,642	76,347,889	78,803,636	17,318,872	18,438,801
Net Current Liabilities	(122,718,205)	(119,430,676)	(4,186,726)	(3,380,271)	(5,849,155)	(13,052,776)
FINANCIAL RATIOS						
(Loss)/Earnings per share	(0.54)	(0.18)	(0.22)	0.29	0.81	(0.23)
Dividend per share	Nil	Nil	Nil	Nil	Nil	Nil

Anwar, Tariq & Co.
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ZAHUR COTTON MILLS LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations)prepared by the Board of Directors of Zahur Cotton Mills Limited (the Company)for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr. No.	Paragraph Reference	Description
1	2	Independent directors are serving on the board for more than three consecutive terms.
2	10	The Chief Financial Officer and head of internal audit of the company have not been appointed.
3	11	The financial statements have not been endorsed by Chief Financial Officer.
4	12	Chairman of Audit committee is not an independent director.
5	12	Chairman of HR and Remuneration committee is not an independent director.
6	15	The Board has not set-up an internal audit function.
7	9	Company has closed its operations and has applied for delisting from Pakistan Stock Exchange and hopeful for getting delisted. Therefore, it has currently no plan for directors' training.

Anwar Tariq & Co

LAHORE
23RD SEPTEMBER, 2020

ANWAR, TARIQ & CO.
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER: TARIQ AYUB QURESHI

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 OF ZAHUR COTTON MILLS LIMITED FOR THE YEAR ENDED JUNE 30, 2020

The Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are seven as per the following,-
   a. Male: 4
   b. Female: 3
2. The composition of the Board is as follows:

Independent Director**	Nazir Akhtar
	Khan Muhammad
Non-Executive Directors	Mukamila Javed
	Rabia Zahur
	Mehreen Gul Hassan
Executive Director	Javed Zahur
	Tanveer Ahmed
Female Director	Mukamila Javed
	Rabia Zahur
	Mehreen Gul Hassan

**Fraction (0.33) related to the requirement for number of independent directors is less than 0.5 and therefore, has not rounded up as one.

**Furthermore, independent directors are serving on the Board for more than 3 terms and as per section 166 of the Companies Act, 2017,they are no more independent. However, considering the closure of the operations and heavy losses, no one is interested to serve on the Board; therefore, Company has no alternative.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ certificate holders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Company is compliant with Regulation 19(1) of the CCG as almost half of the Directors have the prescribed qualification and experience pursuant to Regulation 19 of the CCG.

   Company has closed its operations and has applied for delisting from Pakistan Stock Exchange and hopeful for getting delisted. Therefore, it has currently no plan for directors' training.
10. The Board has approved appointment of Company Secretary, including their remuneration and terms and conditions of employment. The Chief Financial Officer and head of internal audit of the company has not been appointed because the unit is closed and no qualified person is interested to serve the closed unit at very nominal remuneration.
11. CEO duly endorsed the financial statements before approval of the Board. There is no CFO therefore, these financial statements have not been endorsed by him.

12. The Board has formed committees comprising of members given below:-

a)	Audit Committee	Chairperson	M/s Rabia Zahur
		Member	Mr. Nazir Akhtar(no more independent)
		Member/ secretary	Mr. Tanveer Ahmed
b)	HR &Remuneration Committee	Chairperson	Mehreen Gul Hassan
		Member	Javed Zahur
		Member / secretary	Mr. Tanveer Ahmed

As stated at serial no. 2 above independent directors are serving on the board for more than 3 terms and as per section 166 of the Companies Act, 2017, they are no more independent. Therefore, chairpersons are not from independent directors.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:-
    a) Audit Committee 4
    b) HR and Remuneration Committee 1
15. The Board has not set-up an internal audit function as the Company has closed its operations and laid off most of its employees.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services, except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 8, 32, 33 and 36 of the Regulations have been complied with. Whereas regulations 6 and 27 have not been complied as explained in SOC, 2 and 12 respectively.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27,32, 33 and 36 are below :

Sr. No	Description	Explanation
1	The Chief Financial Officer and Head of Internal Audit are not appointed as required by Regulations.	The unit is closed and no qualified person is interested to serve the closed unit at very nominal remuneration.
2	Financial statements shall be endorsed by the CEO and CFO of the company as per Regulation 25.	There is no CFO therefore; these financial statements have not been endorsed by him.
3	Chairman of Audit Committee and Human Resource and Remuneration Committee is not meeting the criteria for independence.	Considering the closure of the operations and heavy losses, no one is interested to serve on the Board; therefore, Company has no alternative.
4	Directors' training as per regulation 19	Company has closed its operations and has applied for delisting from Pakistan Stock Exchange and hopeful for getting delisted. Therefore, it has currently no plan for directors' training.
5	There shall be Internal Audit Function in every company as per Regulation 31.	The Board has not set -up an internal audit function as the Company has closed its operations and has laid-off most of its employees.

Signature
Chairperson

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZAHUR COTTON MILLS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Adverse Opinion

We have audited the annexed financial statements of Zahur Cotton Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss account and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, because of the significance of the matter discussed in 'Basis for Adverse Opinion' section of our report, the statement of financial position, the statement of profit or loss account and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

a) As discussed in Note 3.1 to the financial statements, the Company has incurred net loss of Rs 5.367 million for the year ended June 30, 2020 and has accumulated losses of Rs.227.809 million as at June 30, 2020. Furthermore, its total liabilities exceed its total assets by Rs.62.927 million and current liabilities exceed its current assets by Rs.122.718 million as at June 30, 2020 resulting in liquidity problems. The operations of Company ceased and these operations remained suspended during the year due to working capital constraints and unfavorable business conditions and the Company has also applied for Voluntarily Delisting from the Pakistan Stock Exchange on May 08, 2017 but decision is still pending. The above explained facts and conditions indicate the existence of a material uncertainty which may cast a significant doubt on the company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. This situation indicates that the Company is no longer a going concern, the financial statements of the Company shall be prepared on a basis other than a going concern. However, the Company has prepared its financial statements on going concern basis. Had these financial statements been prepared on basis other than going concern, many elements in the accompanying financial statements would have been materially affected. The effects on the financial statements have not been determined;

b) In the absence of legal advisor confirmation we were unable to verify the status of cases or other litigation, if any, involving the Company;

c) We were unable to verify the existence and valuation of trade creditors, accrued liabilities and Advances from Customers amounting to Rs. 2.54 million, Rs. 0.627 million and Rs.1.602 million respectively as at June 30, 2020 and the movement therein during the year, appearing in Note 11 to the financial statements, in the absence of direct confirmation and other alternative audit procedures.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the Basis for Adverse opinion section, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2020, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) except for the effects of matter described in 'Basis for Adverse Opinion' section, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) except for the effects of matter described in 'Basis for Adverse Opinion' section, the statement of financial position, the statement of profit or loss account and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) except for the effects of matter described in 'Basis for Adverse Opinion' section, investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Tariq Ayub Qureshi.

LAHORE

ANWAR, TARIQ & CO.
CHARTERED ACCOUNTANTS

23RD SEPTEMBER, 2020

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

	NOTE	2020 Rupees	2019 Rupees Restated	2018 Rupees Restated
Share capital and reserves				
Authorized Capital				
20,000,000 (2019: 20,000,000) Ordinary Shares of Rs.10 each		200,000,000	200,000,000	200,000,000
Share capital				
Issued, subscribed and paid up capital	7	98,600,000	98,600,000	98,600,000
Capital reserves				
Share deposit money	8	20,066,240	20,066,240	20,066,240
Surplus on revaluation of property, plant and equipment - net of tax	9	46,215,520	47,174,601	48,133,682
Revenue reserve				
Accumulated loss		(227,808,973)	(223,401,515)	(222,551,797)
Total Shareholders' Equity		(62,927,213)	(57,560,674)	(55,751,875)
Non-Current Liabilities				
Deferred tax liability	10	11,661,113	12,052,850	12,444,587
Current Liabilities				
Trade and other payables	11	8,936,319	7,521,577	6,302,878
Short term borrowings	12	114,584,161	114,849,161	115,514,161
Provision for taxation		-	296,324	-
		123,520,480	122,667,062	121,817,039
Contingencies and Commitments	13	-	-	-
		72,254,380	77,159,238	78,509,751
Assets				
Non-Current Assets				
Property, plant and equipment	14	71,383,895	73,854,642	76,325,389
Long term deposits		68,210	68,210	68,210
		71,452,105	73,922,852	76,393,599
Current Assets				
Income tax refunds due from the government		1,200	-	122,921
Cash and bank balances	15	801,075	3,236,386	1,993,231
		802,275	3,236,386	2,116,152
		72,254,380	77,159,238	78,509,751

The annexed Notes from 1 to 33 form an integral part of these Financial Statements.

Statement under section 232(1) of the Companies Act, 2017:

Currently, no one is acting as Chief Financial Officer, therefore, these Financial Statements have been signed by Chief Executive and Director only.

CHIEF EXECUTIVE **DIRECTOR**

STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE, 2020

	Note	2020 Rupees	2019 Rupees Restated
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	16	(5,642,713)	(7,231,633)
Other operating charges	17	(125,000)	(125,000)
Other income	18	10,000	6,569,205
Operating loss		(5,757,713)	(787,428)
Finance cost	19	(563)	(3,357)
Loss before taxation		(5,758,276)	(790,785)
Taxation	20	391,737	(1,018,014)
Loss after tax for the year		(5,366,539)	(1,808,799)
Other comprehensive income:			
-Items that will never be reclassified to profit and loss account		-	-
-Items to be reclassified to profit and loss account		-	-
Total other comprehensive income - net of tax		-	-
Total comprehensive loss for the year		(5,366,539)	(1,808,799)
Loss per share - basic and diluted	21	(0.54)	(0.18)

The annexed Notes from 1 to 33 form an integral part of these Financial Statements.

Statement under section 232(1) of the Companies Act, 2017:

Currently, no one is acting as Chief Financial Officer, therefore, these Financial Statements have been signed by Chief Executive and Director only.

CHIEF EXECUTIVE **DIRECTOR**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 2020

	Note	2020 Rupees	2019 Rupees Restated
Cash flows from operating activities			
Net Loss for the year before taxation		(5,758,276)	(790,785)
Adjustments for non-cash income and expenses:			
Depreciation of property, plant and equipment		2,470,747	2,470,747
Finance cost		563	3,357
		(3,286,966)	1,683,319
Changes in Working Capital			
Increase in Current Liabilities			
Trade and other payables		1,414,742	1,218,699
Cash (used in) / generated from operations		(1,872,224)	2,902,018
Income tax paid		(297,524)	(990,506)
Finance cost paid		(563)	(3,357)
Net cash (outflow) / inflow from operating activities		(2,170,311)	1,908,155
Cash flows from investing activities		-	-
Cash flows from financing activities			
Repayment of short term borrowing		(265,000)	(665,000)
Net cash outflow from financing activities		(265,000)	(665,000)
Net (decrease) / increase in cash and cash equivalents		(2,435,311)	1,243,155
Cash and cash equivalents at the beginning of the year		3,236,386	1,993,231
Cash and cash equivalents at the end of the year	15	801,075	3,236,386

The annexed Notes from 1 to 33 form an integral part of these Financial Statements.

Statement under section 232(1) of the Companies Act, 2017:
Currently, no one is acting as Chief Financial Officer, therefore, these Financial Statements have been signed by Chief Executive and Director only.

CHIEF EXECUTIVE **DIRECTOR**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2020

	Issued, subscribed and paid up capital	Revenue reserves	Capital reserves		Total equity
		(Accumulated loss)	Share deposit money	Revaluation surplus on property, plant and equipment	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2018 as previously reported	98,600,000	(222,551,797)	20,066,240	47,796,950	(56,088,607)
Impact of re-statement - note 6	-		-	336,732	336,732
Balance as at June 30, 2018 as restated	98,600,000	(222,551,797)	20,066,240	48,133,682	(55,751,875)
Loss for the year	-	(1,808,799)	-	-	(1,808,799)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year ended 30th June, 2019	-	(1,808,799)	-	-	(1,808,799)
Transferred from surplus on revaluation of property plant and equipment on account of incremental depreciation - net of tax	-	959,081	-	(959,081)	-
Balance as at June 30, 2019 as restated	98,600,000	(223,401,515)	20,066,240	47,174,601	(57,560,674)
Balance as at June 30, 2019 as previously reported	98,600,000	(224,067,429)	20,066,240	46,848,519	(58,552,670)
Impact of restatement		665,914		326,082	991,996
Balance as at June 30, 2019 as restated	98,600,000	(223,401,515)	20,066,240	47,174,601	(57,560,674)
Loss for the year	-	(5,366,539)	-	-	(5,366,539)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year ended 30th June, 2020	-	(5,366,539)	-	-	(5,366,539)
Transferred from surplus on revaluation of property plant and equipment on account of incremental depreciation - net of tax	-	959,081	-	(959,081)	-
Balance as at 30th June, 2020	98,600,000	(227,808,973)	20,066,240	46,215,520	(62,927,213)

The annexed Notes from 1 to 33 form an integral part of these Financial Statements.

Statement under section 232(1) of the Companies Act, 2017:
Currently, no one is acting as Chief Financial Officer, therefore, these Financial Statements have been signed by Chief Executive and Director only.

CHIEF EXECUTIVE **DIRECTOR**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2020

Note 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 has shut down its operations in past which continued suspended during the year. The Company is domiciled in Pakistan and its registered office and factory /mills is situated at 94 KM, Multan Road, near Pul Jaurian, Akhtarabad, District Okara.

Note 2
Impact of Covid - 19 (Corona Virus)

The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) has not effected the Company becuae the production and sale is suspended (closed) since long. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on the financial statements.

Note 3
Basis of preparation

3.1 Going concern assumption

The Company has incurred net loss of Rs 5.367 million (2019: Net Loss of Rs. 1.809 million) for the year ended June 30, 2020 and has accumulated losses of Rs.227.809 million (2019: Rs. 223.402 million) as at June 30, 2020. Furthermore , its total liabilities exceed its total assets by Rs.62.927 million (2019: Rs. 57.561 million) and current liabilities exceed its current assets by Rs.122.718 million (2019:Rs. 119.431 million) as at June 30, 2020 resulting in liquidity problems. The operations of Company ceased and these operations remained suspended during the year due to working capital constraints and unfavorable business conditions and the Company has also applied for Voluntarily Delisting from the Pakistan Stock Exchange on May 08, 2017 but decision is still pending. These factors raise doubts about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, any adjustments, relating to the recoverability of recorded assets and liabilities have not been incorporated in these Financial Statements. As the management is confident to obtain continued support from its sponsors and lenders, therefore, these Financial Statements have been prepared on a going concern basis.

3.2 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The financial statements provide comparative information in respect of the previous year. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective correction of an error, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at June 30, 2020 is presented in these financial statements mainly due to impact of correction of error as reflected in Note 5 to these financial statements.

3.3 Basis of measurement

These Financial Statements have been prepared under the historical cost convention except to the extent of following:

a) Certain property, plant and equipment - Note 14
The Company is using the revaluation model for certain property, plant and equipment. Revaluation is performed by an independent valuer periodically.

b) Interest free loans from related parties
The Company is carrying interest free loans from related parties.

3.4 Significant accounting estimates, judgments and assumptions

The preparation of Financial Statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant management estimates in these financial statements relate to the useful life and residual values of property, plant and equipment; revalued amounts of property, plant and equipment; impairment of assets; taxation; provision and contingent liabilities. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The financial statements provide comparative information in respect of the previous year. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective correction of an error, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at June 30, 2020 is presented in these financial statements mainly due to impact of correction of error as reflected in Note 5 to these financial statements.

3.5 Functional and presentation currency

These Financial Statements are presented in Pakistani Rupees (PKR or Rupees)which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

Note 4
Standards, Amendments and Interpretations

4.1 Standards and amendments to approved accounting standards which became effective during the year ended June 30, 2020

The following amendments to existing standards and interpretations have been published and are mandatory for the year ended June 30, 2020:

IFRS 9 Financial Instruments [Amendments]	January 01, 2019
IAS 23 Borrowing costs [Amendments] January 1, 2019	January 01, 2019
IFRS 16 Leases January 1, 2019	January 01, 2019
Annual improvements to IFRSs (2015-2017 Cycle)	January 01, 2019
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019
IAS 28 Investments in Associates and Joint Ventures [Amendments]	January 01, 2019
IAS 19 Employee Benefits [Amendments]	January 01, 2019
IFRS 3 Business Combinations [Amendments]	January 01, 2019
IFRS 11 Joint Arrangement [Amendments]	January 01, 2019

The above amendments to accounting and reporting standards and interpretations that became applicable during the year but are considered not to be relevant or did not have any significant effect on the Company's financial reporting and operations.

The Securities and Exchange Commission of Pakistan (SECP) through its notification dated July 29, 2019 brought certain alterations in fourth schedule to the Act with regard to preparation and presentation of financial statements. These alterations resulted in elimination of certain disclosures in the financial statements of the Company for the year ended June 30, 2020.

4.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective and have not been early adopted by the Company

There are certain other new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, these standards and amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

Note 5
Significant accounting policies

5.1 The significant accounting policies adopted in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.2 Property, plant and equipment

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Measurement

Property, plant and equipment, except freehold land, buildings thereon,plant and machinery and capital work in progress are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss while buildings on freehold land and plant and machiery are stated at revalued amount less accumulated depreciation and any accumulated impairment loss. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss. Capital work in progress is stated at cost less impairment loss (if any).

The costs of Property, plant and equipment include:

(a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates; and

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) cost of borrowing during construction period in respect of loans taken for specific projects.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the profit and loss account as an expense when it is incurred.

Depreciation

Depreciation on all items except freehold land is charged on *straight line method* at the rates specified in note 14 to the financial statements and is generally recognised in profit and loss account so as to write off the cost or revalued amount of an asset over its estimated useful life. Incremental depreciation representing the difference between actual depreciation based on revalued carrying amount of the asset and equivalent depreciation based on the original carrying amount of the asset is transferred to accumulated profit / loss from surplus on revaluation of property, plant and equipment. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income taxes.

Depreciation on additions is charged from the month in which the assets are available for use while no depreciation is charged in the month in which the assets are disposed off.

Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Revaluation surplus

Revaluation of freehold Land, Building on freehold land and Plant and Machinery is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of Land, Building and Plant and Machinery is recognized, net of tax, in other comprehensive income and presented as a separate component of equity as “Revaluation surplus on property, plant and equipment “ except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in statement of profit or loss account, in which case the increase is first recognized in statement of profit or loss account to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to statement of profit or loss account. The revaluation reserve is not available for distribution to the Company’s shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss account and depreciation based on the asset’s original cost, net of tax, is reclassified from revaluation surplus to retained earnings.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the profit and loss account, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to retained earnings.

5.3 Impairment

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life.

5.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

5.4.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

5.4.1.1 Classification

The Company classifies its financial assets in the following categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at amortized cost

A financial asset is measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Company can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income unless these are held for trading in which case these have to be measured at fair value through profit or loss. The equity investments of the Company held in short term investments are classified at fair value through profit or loss because they are frequently traded.

5.4.1.2 Initial recognition and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade date – the date on which the Company commits to purchase or sell the asset.

Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account when the Company's right to receive payments is established. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15. Where the Company uses settlement date accounting for an asset that is subsequently measured at amortized cost, the asset is recognized initially at its fair value on the trade debt.

5.4.1.3 Subsequent measurement

For the purpose of measuring financial assets after initial recognition, these are classified into the following categories:

- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

Financial assets carried at amortized cost are subsequently measured using the effective interest method. Gain or loss on financial assets not part of hedging relationship is recognized in profit or loss when the financial asset is derecognized, reclassified, through the amortization process or in order to recognize impairment gains or losses.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

Financial assets ‘at fair value through other comprehensive income’ are marked to market using the closing market rates and are carried in the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the statement of profit or loss. Dividends on equity instruments are credited to the statement of profit or loss when the Company’s right to receive payments is established.

Financial assets ‘at fair value through profit or loss’ are marked to market using the closing market rates and are carried in the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

5.4.1.4 Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either:

a) the Company has transferred substantially all the risks and rewards of the asset; or
b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or loss.

If the Company transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability which cannot be offset with the related asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

If the Company's continuing involvement is in only a part of a financial asset, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the consideration received for the part no longer recognized is recognized in profit or loss.

5.4.1.5 Impairment of financial assets

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company recognizes a loss allowance for expected credit losses on a financial asset measured at amortized cost and through other comprehensive income, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract. In case of financial assets measured at fair value through other comprehensive income, loss allowance is recognized in other comprehensive income and carrying amount of the financial asset in the statement of financial position is not reduced.

The Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions under IFRS 15 and lease receivables.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the profit or loss.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

5.4.2 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost except for financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, commitments to provide a loan at a below-market interest rate and contingent consideration recognized in a business combination.

The Company does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the profit and loss account.

5.4.2.1 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The amount of change in the fair value that is attributable to changes in the credit risk of financial liability is presented in other comprehensive income and the remaining amount of change in the fair value of the liability is presented in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if it eliminates or significantly reduces a measurement or recognition inconsistency or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel. The Company has not designated any financial liability as at fair value through profit or loss.

All other liabilities

All other financial liabilities are measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss account.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

5.5 Contingencies and commitments

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the Financial Statements.

5.6 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortised cost according to IFRS 9.

Trade debts are initially recognised at original invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less provision for doubtful debts. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses.

The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

5.7 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and bank balances, cheques in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

5.8 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximates fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

5.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

5.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

5.11 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the date of transaction. Foreign exchange gains and losses on translation are recognized in the profit and loss account.

5.12 Revenue recognition

Revenue is recognised either at a point in time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue is recognised in accordance with the aforementioned principle by applying the following steps:

i) Identify the contract with a customer.
ii) Identify the performance obligation in the contract.
iii) Determine the transaction price of the contract.
iv) Allocate the transaction price to each of the separate performance obligations in the contract.
v) Recognise the revenue when (or as) the entity satisfies a performance obligation.

Currently the Company is not engaged in any type of sale of goods or services.

5.13 Related party transactions

Related parties comprise the parent Company, associated companies / undertakings, directors of the Company and their close relatives and key management personnel of the Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under respective notes to these financial statements.

5.14 Contingent liabilities

Contingent liability is disclosed when:

a) there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

b) there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.15 Reserves

Reserve are classified into two categories as follows:

Revenue reserve

Revenue reserve is the reserve which is regarded as available for distribution through the profit and loss account including general reserves and other specific reserves created out of profit and unappropriated or accumulated profits of previous years.

Capital reserve

Capital reserve includes all the reserves other than reserve which are classified as revenue reserve.

5.16 Earnings per share

The Company presents earnings / (loss) per share (EPS) data for its ordinary shares. This is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

5.17 Dividend

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

5.18 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account.

Current:

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

Deferred:

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognised for all major taxable temporary differences.

Deferred tax assets are recognised for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date and is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilised or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date.

Note 6
Correction of error

6.1 The Compnay has borrowed funds from the related parties i.e. chief executive,director and sponsors for running day to day activities and pay off the liabilities. These borrowings are payable on demand but in prior years these have been classified as long term liabilities. Now this error has been identified which is corrected retrospectively in accordance with the requirement of IAS 8 " Accounting Policies, Changes in Accounting Estimates and Errors" with effect from earliest period presented in these financial statements. The borrowings which was previously shown as a long term liability in statement of financial position, has now been presented as short term borrowings under the heading current liability in the statement of financial position and figures have been restated accordingly.

	As at June 30, 2019			As at June 30, 2018		
	As previously reported on June 30, 2019	Adjustment	As restated on June 30, 2019	As previously reported on June 30, 2018	Adjustment	As restated on June 30, 2018 (Restated)
Effect on statement of financial position						
Long term borrowings	114,849,161	(114,849,161)	-	115,514,161	(115,514,161)	-
Short term borrowings		114,849,161	114,849,161	-	115,514,161	115,514,161
Effect on statement of cash flows						
Repayment of long term borrowing	(265,000)	265,000	-	(665,000)	665,000	-
Repayment of short term borrowing	-	(265,000)	(265,000)	-	(665,000)	(665,000)

There was no impact on statement of profit or loss, statement of comprehensive income and statement of changes in equity as a result of the retrospective correction of error.

6.2 The Compnay has revalued certain asset on January 18, 2017 and as a result of this revalution exercise surplus on revalation of property,plant and equipment arose. The surplus on revalation of building was presented in the statement of financial position net of deferred tax and related deferred tax liability was seprately disclosed, however, surplus on revalation of plant and machinery was presented with out netting off the related deferred tax liability due to inadvertent mistake. Now this error has been identified which is corrected retrospectively in accordance with the requirement of IAS 8 " Accounting Policies, Changes in Accounting Estimates and Errors" with effect from earliest period presented in these financial statements. The surplus on revalation of plant and machinery has now been presented net of deferred tax and related deferred tax liability has been seprately disclosed in the statement of financial position and figures have been restated accordingly and related reversal of defererd tax liability and incremental depreciation has been accounted for properly. in addition to this depreciation was also not charged on this revalued amount that has now been provided,resultantly, depreciation expense has increased and carrying value of the asset and equity has been decreased and effect has been taken retrospectively.

Furthermore, Corporate tax rate was reduced from 30% to 29%. The effect of this rate change was not incorporated inadvertently while preparing the financial statements for the year ended June 30, 2018 and onward. Now this error has been identified which is corrected retrospectively in accordance with the requirement of IAS 8 " Accounting Policies, Changes in Accounting Estimates and Errors" with effect from earliest period presented in these financial statements. Now defererd tax liabilty has been calculated at 29% which is the corporate tax rate and the surplus on revalation of plant and machinery has now been adjusted in the statement of financial position and figures have been restated accordingly.

	As at June 30, 2019			As at June 30, 2018		
	As previously reported on June 30, 2019	Adjustment	As restated on June 30, 2019	As previously reported on June 30, 2018	Adjustment	As restated on June 30, 2018 (Restated)
Effect on statement of financial position						
Revaluation surplus on property, plant and 'equipment	46,848,519	326,082	47,174,601	47,796,950	336,732	48,133,682
Deferred tax liability - net	12,052,850	(363,582)	11,689,268	12,444,587	(359,232)	12,085,355
Property Plant 'and Equipment	73,892,142	(37,500)	73,854,642	76,347,889	(22,500)	76,325,389
Effect on statement of profit or loss account						
Depreciation	2,455,747	15,000		2,455,747	15,000	2,470,747
Effect on statement of changes in equity						
Accumulated loss	(224,067,429)	26,850	(224,040,579)	(222,551,797)	22,500	(222,529,297)
Effect on statement of cash flow						
Adjustments for Depreciation	2,455,747	15,000	2,470,747	2,455,747	15,000	2,470,747

6.3 We found that in invoice amounting to Rs. 665,914 related to previous year has been booked inadvertantnly again at the time of receipt of invoice whereas same amount was booked in relevant year on accrual basis. Now this error has been identified which is corrected retrospectively in accordance with the requirement of IAS 8 " Accounting Policies, Changes in Accounting Estimates and Errors" with effect from previous year presented in these financial statements. This correction of error has decreased the expense and related creditors by the same amount. The effect on statement of financial position, statement of profit or loss account and other comprehensive income, statement of changes in equity and statement of cash flows is given below:

	As at June 30, 2019		
Effect on statement of financial position			
Creditors	8,187,491	(665,914)	7,521,577
Effect on statement of profit or loss account			
Printing and Stationery	1,689,916	(665,914)	1,024,002
Effect on statement of changes in equity			
Accumulated loss	(224,067,429)	665,914	(223,401,515)
Effect on statement of Cash flow			
Net Loss before Taxation	(1,441,699)	665,914	(775,785)
Trade and other payables	1,884,613	(665,914)	1,218,699

Note 7
Issued, subscribed and paid up capital

	2020 Rupees	2019 Rupees
Issued, subscribed and paid-up capital 9,860,000 (2019: 9,860,000) Ordinary Shares of Rs.10 each fully paid in cash	98,600,000	98,600,000

7.1 No shares were issued or cancelled during the year (2019: Nil). Therefore, reconciliation of number of shares outstanding is not provided.

7.2 There are no agreements with shareholders for any specific voting rights, board selection, rights of first refusal and block voting etc. All shares rank equally with regard to Company's residual assets.

Note 8
Share deposit money

This includes Share Deposit contributed by the previous sponsors of the Company which was transferred to Mr. Javed Zahur in 1994, as result of Family Settlement. Now the entire Deposit relates to Mr. Javed Zahur.

In terms of a meeting, dated 9th December, 2010, between the Chief Executive of the Company and Director Enforcement, SECP, Islamabad, a letter dated 20th January, 2011, followed by a reminder dated 4th June, 2011, for seeking permission for issuance of shares against this deposit has been sent to the SECP. However, such permission is still awaited but the management has a definite intent to issue Equity Shares of the Company against this Deposit as and when allowed by the SECP.

Note 9
Surplus on revaluation of property, plant and equipment - net of tax

	Note	2020 Rupees	2019 Rupees Restated
9.1 This is made up as follows:			
Freehold land		17,665,900	17,665,900
Buildings on freehold land		29,322,326	30,270,758
Plant and Machinery		186,375	197,025
		47,174,601	48,133,683
Incremental depreciation charged on revalued property, plantand equipment during the year transferred to retained earnings - net of deferred tax		(959,081)	(959,081)
		46,215,520	47,174,601

9.2 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017

Note 10
Deferred tax liability

	Note	2020 Rupees	2019 Rupees Restated
10.1 These comprise of:			
Deferred Tax Liability	10.2	11,661,113	12,052,850
		11,661,113	12,052,850

10.2 This represents the related deferred tax liability of surplus on revaluation of building and plant and machinery.

Note 11
Trade and other payables

	Note	2020 Rupees	2019 Rupees Restated
Creditors		2,538,771	1,800,355
Accrued Liabilities and advances - unsecured	11.1	4,795,546	3,739,220
Advances from Customers - unsecured		1,602,002	1,972,002
Security against Godown		-	10,000
		8,936,319	7,521,577

11.1 Accrued liabilities and advances

	Note	2020	2019
Advances	11.1.1	95,346	-
Accrued liabilities	11.1.2	4,700,200	3,739,220
		4,795,546	3,739,220

11.1.1 Advances represent, Rs. 25,421, Rs. 4,300 and Rs.65,625 payable to a director, other related party and the associated company (associated due to common directorship) respectively. These amounts relate to the expenditure incurred by the director, other related party and the associated company on the Company's behalf.

11.1.2 This includes Rs. 3.947 million (2019: 2.967million) payable to CEO of the Company on account of salaries.

Note 12
Short term borrowings

	Note	2020 Rupees	2019 Rupees Restated
12.1 These are unsecured and have been obtained from:			
Related Parties -			
Chief Executive	12.2	37,687,575	37,687,575
Directors	12.3	28,588,131	28,688,131
		66,275,706	66,375,706
Loan from other related parties	12.4	48,308,455	48,473,455
	12.5	114,584,161	114,849,161

	2020	2019
12.2 Loan from chief executive is made up as follows:		
Balance at beginning of the Year	37,687,575	37,862,575
Less: Payments during the Year	-	175,000
Balance at end of the year	37,687,575	37,687,575
12.3 Loan from directors is made up as follows:		
Balance at beginning of the Year	28,688,131	28,688,131
Less: Payments during the Year	100,000	-
Balance at end of the year	28,588,131	28,688,131
12.4 Loan from other related parties is made up as follows:		
Balance at beginning of the Year	48,473,455	48,963,455
Less: Payments during the Year	165,000	490,000
Balance at end of the year	48,308,455	48,473,455

12.5 These unsecured and interest free loans have been obtained from the related parties i.e. directors / sponsors of the Company. These loans have been obtained to meet the working capital requirements of the Company and are repayable on demand.

Note 13
Contingencies and commitments

13.1 Contingencies
Rs. Nil (2019: Rs. Nil)

13.2 Commitments
Rs. Nil (2019: Rs. Nil)

Note 14
Property, Plant and Equipment

	Note	2020 Rupees	2019 Rupees Restated
14.1 Operating fixed assets		71,383,895	73,854,642

Reconciliation of carrying amounts of property, plant and equipment at the beginning and at end of the year is as follows:

Year ended June 30, 2020

PARTICULARS	COST			DEPRECIATION				Carrying amount as at June 30, 2020
	as at July 01, 2019	Revaluation Surplus	as at June 30, 2020	RATE %	Upto June 30, 2019	Provided for the year	At june 30, 2020	
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
Land - Freehold								
Cost	2,258,100	-	2,258,100	-	-	-	-	2,258,100
Revaluation Surplus	17,665,900	-	17,665,900	-	-	-	-	17,665,900
	19,924,000	-	19,924,000		-	-	-	19,924,000
Buildings on Freehold Land								
Cost	37,330,978	-	37,330,978	3%	24,961,887	1,119,929	26,081,816	11,249,162
Revaluation Surplus	44,527,278	-	44,527,278	3%	3,228,227	1,335,818	4,564,045	39,963,233
	81,858,256	-	81,858,256		28,190,114	2,455,747	30,645,861	51,212,395
Plant and Machinery								
Cost	23,219,389	-	23,219,389	5%	23,219,389	-	23,219,389	-
Revaluation Surplus	300,000	-	300,000	5%	37,500	15,000	52,500	247,500
	23,519,389	-	23,519,389		23,256,889	15,000	23,271,889	247,500
Fire Fighting Equipment	38,566	-	38,566	10%	38,566	-	38,566	-
Furniture and Fixtures	1,903,061	-	1,903,061	10%	1,903,061	-	1,903,061	-
Electric Installations	2,294,667	-	2,294,667	5%	2,294,667	-	2,294,667	-
Office Equipment	1,209,500	-	1,209,500	10%	1,209,500	-	1,209,500	-
Vehicles	2,039,691	-	2,039,691	20%	2,039,691	-	2,039,691	-
	132,787,130	-	132,787,130		58,932,488	2,470,747	61,403,235	71,383,895

Year ended June 30, 2019 - restated

PARTICULARS	COST			DEPRECIATION				Carrying amount as at June 30, 2019
	as at July 01, 2018	Revaluation Surplus	as at June 30, 2019	RATE %	Upto June 30, 2018	Provided for the year	At june 30, 2019	
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
Land - Freehold								
Cost	2,258,100	-	2,258,100	-	-	-	-	2,258,100
Revaluation Surplus	17,665,900	-	17,665,900	-	-	-	-	17,665,900
	19,924,000	-	19,924,000		-	-	-	19,924,000
Buildings on Freehold Land								
Cost	37,330,978	-	37,330,978	3%	23,841,958	1,119,929	24,961,887	12,369,091
Revaluation Surplus	44,527,278	-	44,527,278	3%	1,892,409	1,335,818	3,228,227	41,299,051
	81,858,256	-	81,858,256		25,734,367	2,455,747	28,190,114	53,668,142
Plant and Machinery								
Cost	23,219,389	-	23,219,389	5%	23,219,389	-	23,219,389	-
Revaluation Surplus	300,000	-	300,000	5%	22,500	15,000	37,500	262,500
	23,519,389	-	23,519,389		23,241,889	15,000	23,256,889	262,500
Fire Fighting Equipment	38,566	-	38,566	10%	38,566	-	38,566	-
Furniture and Fixtures	1,903,061	-	1,903,061	10%	1,903,061	-	1,903,061	-
Electric Installations	2,294,667	-	2,294,667	5%	2,294,667	-	2,294,667	-
Office Equipment	1,209,500	-	1,209,500	10%	1,209,500	-	1,209,500	-
Vehicles	2,039,691	-	2,039,691	20%	2,039,691	-	2,039,691	-
	132,787,130	-	132,787,130		56,461,741	2,470,747	58,932,488	73,854,642

14.2 In view of insignificant materiality level and closed operations of the Company, the management has decided not to revalue the items appearing at Nil value.

14.3 The Forced sales value of Land, Building and Plant and Machinery as per last revaluation report as of *January 18, 2017* is Rs. 15,939,000/-, Rs. 47,470,000/- and Rs. 225,000/- respectively.

14.4 Particulars of immovable property (land and building) of the Company are as follow:

Location	Usage of immovable property	Total area
94 KM, Multan Road, Lahore near Pul Jaurian, Akhtarabad, District Okara.	Production plant and offices	79 Kanals and 14 Marlas

14.5 Cost, accumulated depreciation and book value of revalued assets

Had there been no revaluation, the carrying amounts of the following classes of assets would have been as follow:

	2020	2019
	Rupees	Rupees
Freehold land	2,258,100	2,258,100
Buildings on freehold land	11,249,162	12,369,091
Plant and machinery	-	-
	13,507,262	14,627,191

14.6 Revalued land, building and plant and machinery

On January 18, 2017, the Company elected to measure land, buildings and plant and machinery using the revaluation model. The fair value of the Company's land, buildings and plant and machinery are determined on periodic, but at least four year term basis, by an independent professionally qualified valuer.

14.7 The latest revaluation of the Company's freehold Land, Buildings on freehold Land and Plant and Machinery was carried on at 18th January, 2017. The Revaluation exercise was carried-out by independent Valuer M/S Hamid Mukhtar & Co (Pvt) Ltd. (Approved Valuer of Pakistan Banks Association), on fair market value basis . The revaluation of these Assets resulted in a surplus of Rs. 62.493 Million, which was credited to "Surplus on Revaluation of Fixed Assets Account" , on that date, to comply with the requirement of the Repealed Companies Ordinance, 1984 (now Companies Act, 2017). The difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss account and depreciation based on the asset's original cost, net of tax is reclassified from revaluation surplus to retained earnings.

14.8 Fair value of the properties was determined using the market comparable method. Fair values are categorized as level 2 fair value hierarchy where inputs are observable. The valuations have been performed by an independent professional valuer and are based on prices of transactions for properties of similar nature, location and condition.

14.9 The property, plant and equipment of the Company are not subject to any charge.

14.10 As the company's operations are NIL, the depreciation is charged to administrative expenses.

Note 15
Cash and bank balances

	2020 Rupees	2019 Rupees
Cash on Hand	8,806	27,926
Cash at Banks in:		
Current Accounts	789,247	3,205,438
Demand Deposits	2,119	2,119
Saving Account	903	903
	792,269	3,208,460
	801,075	3,236,386

Note 16
Administrative expenses

		Note	2020 Rupees	2019 Rupees Restated
16.1	These comprise of:			
	Directors Remuneration	16.2	1,440,000	1,440,000
	Salaries and Other Benefits	16.2	240,000	231,000
	Telephone, Postage and telegram		243,344	237,476
	Power and Fuel		24,393	117,868
	Rent, Rates and Taxes		6,250	73,000
	Printing and Stationery		575,000	808,086
	Travelling and Conveyance		127,580	59,500
	Fees and Subscriptions		156,499	640,000
	Legal and Professional Charges		46,500	40,000
	Advertisement		16,500	15,500
	Vehicle Running and Maintenance	16.3	108,600	136,234
	Repair and Maintenance		187,300	962,222
	Depreciation	14.1	2,470,747	2,470,747
			5,642,713	7,231,633

16.2 These include Rs. Nil (2019: Rs. Nil) in respect of Staff Retirement benefits.

16.3 This represents the expenses incurred by the CEO of the Company on running and maintenance of his personal car as per the terms of his employment.

Note 17
Other operating charges

		Note	2020 Rupees	2019 Rupees
17.1	Auditors' remuneration	17.2	125,000	125,000

17.2 Auditors' remuneration is in respect of Audit services and represents:

	2020	2019
- statutory audit	95,000	95,000
- Half yearly review	30,000	30,000
	125,000	125,000

Note 18
Other income

	2020 Rupees	2019 Rupees
Lease Rentals of Godowns	-	6,569,205
Liabilities written back	10,000	-
	10,000	6,569,205

Note 19
Finance cost

	2020 Rupees	2019 Rupees
Bank Charges	563	3,357

Note 20
Taxation

		2020	2019
		Rupees	Rupees
20.1	This represents:		
	Current Year Taxation	-	1,409,751
	Deferred Taxation	(391,737)	(391,737)
		(391,737)	1,018,014
20.2	Relationship between tax expense and accounting Loss		
	Accounting Loss before taxation	(5,758,276)	(790,785)
	Tax at the enacted tax rate of 29% (2019: 29%)	-	(229,328)
	Tax effect of Exempt Income	-	(495,318)
	Tax effect of items not deductible for Tax Purposes	-	2,323,162
	Tax effect of prior year error	-	(188,765)
	Deferred Taxation	(391,737)	(391,737)
		(391,737)	1,018,014

20.3 Income Tax assessments of the Company upto Tax Year 2019 have either been completed or have been filed under self assessment scheme in accordance with the provisions of Income Tax Ordinance, 2001, hence deemed to be assessed as declared.

20.4 Deferred tax asset has not been recognized on any deductible temporary difference as no future taxable profits will be available against which these can be utilized. Breakup of which is as follows:

20.5	Accelerated Depreciation	4,274,667	4,974,255
	Unabsorbed Tax Depreciation	67,577,553	66,553,185
	Unused Business Tax Losses	3,594,584	2,918,131
		75,446,804	74,445,571
	The Expiry Dates for the Unused Business Tax Losses are as follows:		
	30th June, 2020	-	954,931
	30th June, 2021	1,096,707	1,096,707
	30th June, 2023	2,342,879	2,342,879
	30th June, 2024	112,845	112,845
	30th June, 2025	5,555,157	5,555,157
	30th June, 2026	3,287,529	-
		12,395,117	10,062,519

Note 21
Loss per share

		2020	2019
		Rupees	Rupees Restated

The calculation of basic loss per share has been based on the loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

21.1	Basic loss per share		
	Net Loss attributable to Ordinary Shareholders	(5,366,539)	(1,808,799)
	Weighted Average Number of Ordinary	NUMBER OF SHARES	
	Shares Outstanding during the Year	9,860,000	9,860,000
		RUPEES	RUPEES
	Loss per Share	(0.54)	(0.18)

21.2 Diluted loss per share
There is no dilution effect on the basic Loss per share as the Company has no such commitments.

Note 22
Changes in liabilities arising from financing activities

Particulars	As at June 30, 2019	Non-cash changes	cash changes	As at June 30, 2020
Repayment of short Term Financing	114,849,161	-	(265,000)	114,584,161

Note 23
Remuneration of chief executive, directors and executives

23.1 Aggregate amounts charged in the financial statements for the year as remuneration and benefits to the chief executive, full time working directors and other executives of the company are as follows:

	2020			2019		
	Rupees		Total	Rupees		Total
Particulars	Chief Executive	Director		Chief Executive	Director	
Managerial Remuneration	1,090,909	218,182	1,309,091	1,090,909	218,182	1,309,091
Medical Allowance	109,091	21,818	130,909	109,091	21,818	130,909
	1,200,000	240,000	1,440,000	1,200,000	240,000	1,440,000
Number of Persons	1	1		1	1	

23.2 In addition to above, as per terms of employment chief executive is entitled for expenses of running and repair and maintenance of his Vehicle.

23.3 No meeting fee has been paid to any director of the Company.

23.4 No remuneration has been paid to any Non-executive director of the Company.

23.5 No retirement benefits including Provident fund / gratuity has been paid or payable to any of the directors including chief executive of the Company.

23.6 An executive is defined as an employee, other than the Chief Executive Officer and directors, whose basic salary exceeds Rs. 1.2 million (2019: Rs. 1.2 million) in a financial year. No employee fall in the category of executive.

Note 24
Transactions with related parties

The related parties comprise the associated undertakings, directors of the Company, key Management Personnel. The Company in the normal course of business carries out transactions with various related parties. These are un-secured amounts due to related parties and are shown under respective notes to these financial statements. Significant transactions with related parties other than remuneration are given below:

24.1 Transactions during the year

Name of Related party	Relationship	Nature of transaction	Percentage of shareholding	2020 Rupees	2019 Rupees
Key management personnel:					
Javed Zahur	CEO	Loan repaid	50.491%	-	175,000
Mrs. Mukamila Javed	Director	Loan repaid	4.033%	100,000	-
Javed Zahur	CEO	Expenses paid	50.491%	25,421	-
Other related parties:					
Ali Zahur	Other party	Loan repaid	Nil	100,000	70,000
Hassan Zahur	Other party	Loan repaid	Nil	65,000	420,000
Hassan Zahur	Other party	Expenses paid	Nil	4,300	-
Associated Company:					
Technic Engineering & Fabrication (Pvt) Limited	Associate by virtue of common directorship	Expenses paid	Nil	65,625	-

24.2 Outstanding Balance as at the year end

	Note	2020 Rupees	2019 Rupees
Key management personnel:			
Javed Zahur	12.2	37,687,575	37,687,575
Javed Zahur	11.1.1	25,421	-
Mrs. Mukamila Javed	12.3	26,031,631	26,131,631
Rabia Zahur	12.3	2,556,500	2,556,500
Other parties:			
Hassan Zahur	12.4	37,219,464	37,284,464
Hassan Zahur	11.1.1	4,300	-
Ali Zahur	12.4	11,088,991	11,188,991
Associated Company:			
Technic Engineering & Fabrication (Pvt) Limited	11.1.1	65,625	-

Note 25
Provident related disclosure

The Company does not maintain any provident fund for its employees.

Note 26
Financial instruments and related disclosures

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

26.1 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation without taking into account the fair value of any collateral.. Carrying amounts of financial assets represent the maximum credit exposure.

Exposure and Concentration of Credit Risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any exposure to customers. Credit risk of the Company arises from deposits with banks and deposits. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. However, the Company has no credit risk from customers because there is no trdae receiveable. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. Carrying values of

financial assets exposed to credit risk, which are neither past due nor impaired are as under:

	2020 RUPEES	2019 RUPEES
Long term deposits	68,210	68,210
Bank balances	792,269	3,208,460
	860,479	3,276,670

There is no trade receiveable, therefore no aging is required to be disclosed

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is limited mainly to banks only.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating	2020	2019
	Short term	Long term	Agency		
Bank Al Habib Limited	A1+	AA+	PACRA	3,766	3,766
Faysal Bank Limited	A1+	AA	PACRA	2,149	2,149
Al-Baraka Islamic Bank Limited	A1	A	PACRA	519,455	2,663,411
MCB Bank Limited	A1+	AAA	PACRA	263,759	535,994
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	3,140	3,140
Askari Commercial Bank Limited	A1+	AA+	PACRA	-	-
				792,269	3,208,460

26.2 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. As at June 30, 2020, the company is not exposed to currency risk.

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and Short term borrowings from financial institutions. As at June 30, 2020, the interest rate risk profile of the Company's doesn't have any interest bearing financial instrument.

iii) Price Rate Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2020, the Company is not exposed to price risk.

26.3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or experience difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company manages liquidity risk by maintaining sufficient cash balances and the availability of financing through related parties.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cashflows.

Contractual maturities of financial liabilities as at June 30, 2020:	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	More than 5 years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	8,936,319	8,936,319	8,936,319	-	-	-
Short term borrowings	114,584,161	114,584,161	114,584,161	-	-	-
	123,520,480	123,520,480	123,520,480	-	-	-

Contractual maturities of financial liabilities as at June 30, 2019:	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	More than 5 years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	7,521,577	7,521,577	7,521,577	-	-	-
Short term borrowings	114,849,161	114,849,161	114,849,161	-	-	-
	122,370,738	122,370,738	122,370,738	-	-	-

26.4 Financial Instruments by Catagories

Financial assets as at June 30, 2020	At Fair Value Through Other Comprehensive Income	At Fair Value Through Profit or Loss	At Amortized Cost	Total
	Rupees	Rupees	Rupees	Rupees
Long term deposits			68,210	68,210
Cash and Bank Balances	-	-	801,075	801,075
	-	-	869,285	869,285

Financial assets as at June 30, 2019	At Fair Value Through Other Comprehensive Income	At Fair Value Through Profit or Loss	At Amortized Cost	Total
	Rupees	Rupees	Rupees	Rupees
Long term deposits			68,210	68,210
Cash and Bank Balances	-	-	3,236,386	3,236,386
	-	-	3,304,596	3,304,596

Financial liabilities at amortized cost

	2020	2019
	Rupees	Rupees
Trade and other payables	8,936,319	7,521,577
Short term borrowings	114,584,161	114,849,161
	123,520,480	122,370,738

Note 27
Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders and to maintain a strong capital base to support the sustained development of its business. The capital structure of the Company is mainly equity based and short term borrowings from related parties. The Company has no material gearing risk in the current year nor in the previous year.

There was no change to the Company's approach to capital management during the year.

Note 28
Fair values of financial assets and liabilities

28.1 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. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on arm’s length basis.

The carrying values of other financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

28.2 Fair values Hierarchy

IFRS 13 "Fair Value Measurement requires the Company to classify fair value measurement and fair value hierarchy that reflects the significance of the inputs used in making the measurement of fair value hierarchy, which has the following levels:

- 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 (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

There were no financial Assets and Financial liabilities measured at fair value as at June 30, 2020.

Note 29
Entity-wide information

29.1 The Company constitutes of a single reportable segment.

29.2 Information about products and major customer

The operations of the Compnay are suspended since long, so the Company is not manufacturing and selling any product

29.3 Information about geographical areas

The Company does not hold non-current assets in any foreign country. Since operation are suspended since long ,therefore no revenues from external customers.

Note 30
Number of employees

	2020	2019
	NO. OF EMPLOYEES	
Average number of employees during the Year	3	3
Total Number of employees at end of the Year	3	3

Note 31
Rated capacity and actual production

31.1 These comprise of:

		2020	2019
No. of Looms Installed		10	10
No. of Looms Worked		None	None
Rated Capacity converted into 50 Picks	Square Meters	1,417,324	1,417,324
Actual Production converted into 50 Picks	Square Meters	Nil	Nil

31.2 The operation of the Company remained closed during the year due to unavailability of funds and unfavorable business conditions.

Note 32
Figures

32.1 Figures in these Financial Statements have been rounded off to the nearest Rupee.

32.2 CORRESPONDING FIGURES

Corresponding figures have been relcassified or rearranged, wherever necessary, for the better and fair presentation. Following reclassifications / rearrangement have been made during the year.

	Reclassified from	Reclassified to	2019
Postage and telegram	Printing and Stationery	Postage and telegram	215,916
Bank charges	Administrative expenses	Finance cost	3,357
Auditors' remuneration	Administrative expenses	Other operating charges	125,000

Note 33
Date of authorization for issue

These Financial Statements were authorized for issue on 23rd September 2020 by the Board of Directors of the Company.

CHIEF EXECUTIVE **DIRECTOR**

THE COMPANIES ORDINANCE 1984
(Section 236 (1) and 464)
PATTERN OF SHAREHOLDING

FORM 34

1. Incorporation Number

2. Name of Company: ZAHUR COTTON MILLS LIMITED

3.Pattern of holding of the shares held by the shareholders as at: 6/30/2020

4. No of Shareholders	Shareholding From	Shareholding To	Total shares held
180	1	100	18,000
5768	101	500	2,760,800
133	501	1,000	128,600
40	1,001	5,000	95,100
4	5,001	10,000	34,900
2	10,001	15,000	23,000
1	20,001	25,000	21,700
1	25,001	30,000	30,000
1	45,001	50,000	50,000
2	50,001	55,000	102,800
1	150,001	155,000	151,500
1	395,001	400,000	397,600
1	430,001	435,000	432,100
1	635,001	640,000	635,500
1	4,975,001	4,980,000	4,978,400
6,137			9,860,000

5. Categories of Shareholders	Shares held	Percentage
5.1 Directors, Chief Executive Officers and their spouses and minor children	5,428,500	55.0558%
5.2 Associated Companies, Undertakings and related parties	0	0.0000%
5.3 NIT and ICP	637,000	6.4604%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions	151,500	1.5365%
5.5 Insurance Companies	500	0.0051%
5.6 Modarabas and mutual Funds	0	--
5.7 Share holders holding 10 %	5,613,900	56.9361%
5.8 General Public		
a. Local	3,632,500	36.8408%
b.Foreign	0	0.0000%
5.9 Others (to be specified)		
Joint Stock Companies	10,000	0.1014%

6. Signature of Company secretary

7. Name of Signatory: Ms. Rabia Zahur

8. Designation: Company Secretary

9.NIC Number

10. Date: 30 | 6 | 2020

Categories of Shareholding required under Code of Corporate Governance (CCG)

As on June 30, 2020

Sr. No	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors/Chief Executive and their spouse / minor Children			
	1. MR. JAVED ZAHUR	4,978,400	50.4909%
	2. MRS. MUKAMILA JAVED	397,600	4.0325%
	3. MS. RABIA ZAHUR	50,500	0.5122%
	4. MR. NAZIR AKHTAR	500	0.0051%
	5. MR. KHAN MUHAMMAD	500	0.0051%
	6. MRS. MEHREEN GUL HASSAN	500	0.0051%
	7. MR. TANVEER AHMAD	500	0.0051%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		152,000	1.5416%

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	MR. JAVED ZAHUR	4,978,400	50.4909%
2	NATIONAL BANK OF PAKISTAN	635,500	6.4452%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
	None	Nil	Nil

Form of Proxy

The Company Secretary
Zahur Cotton Mills Limited
94-K.M. Lahore-Multan Road
Near Pul Jaurian, Akhtarabad,
Distt.Okara

I/We ____

of ____

member(s) of ZAHUR COTTON MILLS LIMITED do hereby

appoint ______________________ of ______________________

(or failing him) ______________________ of ______________________

(who are also members of the Company) as proxy to attend: and vote on my/our behalf at the 30th Annual General Meeting of the Company to be held on 28th October 2020 at 11:00 hrs. at the Registered Office of the Company, 94th KM Lahore-Multan Road, Near Pul Jaurian, Akhtarabad, Distt. Okara or at any adjournment thereof.

Signed on the ______________________ day of ______________________ 2020.

Signature of first-named Shareholder

Important:

1. Instrument of Proxy will not be considered as valid unless they are deposited or received at the Company's Registered Office at least 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he/she is a member of the Company.