

**CONDENSED INTERIM  
STATEMENT FINANCIAL POSITION  
AS AT MARCH 31, 2021  
(UN-AUDITED)**



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**ARUJ INDUSTRIES LTD.**

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**ARUJ INDUSTRIES LTD.**

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

1. Mr. Maqsood Ahmad Butt FCA	:	Chair Person
2. Mr. Faisal Khan	:	Chief Executive
3. Mrs. Naseem Maqsood Butt	:	Director
4. Mr. Ali Maqsood	:	Director
5. Mrs. Durray Zara Butt	:	Director
6. Dr. Aruj Butt	:	Director
7. Muhammad Saeed Akhtar	:	Director

### **CHIEF FINANCIAL OFFICER**

Mrs. Durray Zara Butt

### **COMPANY SECRETARY**

Mr. Muhammad Sajjad Hussain

### **SHARE REGISTRARS**

M/s. Corplink (Pvt.) Ltd.  
Wings Arcade, 1-K, Commercial  
Model Town Lahore.  
Tel: 35839182, 35869037

### **LEGAL ADVISOR**

Mr. Mian Waheed Akhtar,  
Advocate High Court/ Supreme Court  
Lahore.

### **AUDITORS**

M/s. Qadeer & Co.  
Chartered Accountants,  
32-A Lawrence Road,  
Lahore.

### **REGISTERED OFFICE**

2-KM Off Raiwind-Manga Road,  
Raiwind, Lahore.  
Tel: (92 - 42) 35393125-6, 38102800  
Fax: (92 - 42) 35393127  
E-mail: info@aruj.com  
Website: www.aruj.com

### **AUDIT COMMITTEE**

Muhammad Saeed Akhtar	Chairman
Mr. Maqsood Ahmad Butt FCA	Member
Mr. Ali Maqsood Butt	Member

### **REGISTERED OFFICE**

2-KM Off Raiwind-Manga Road,  
Raiwind, Lahore.  
Tel: (92 - 42) 35393125-6, 38102800  
Fax: (92 - 42) 35393127  
E-mail: info@aruj.com  
Website: www.aruj.com

### **HR & REMUNERATION COMMITTEE**

Muhammad Saeed Akhtar	Chairman
Mrs. Naseem Maqsood Butt	Member
Dr. Aruj Butt	Member

### **BANKERS**

Bank Alfalah Limited.  
Habib Bank Limited.  
JS Bank Limited.  
Standard Chartered Bank (Pakistan) Ltd.  
The Bank of Punjab  
Faysal Bank Limited.  
Mezan Bank



## DIRECTOR'S REPORT

Your Directors have the pleasure to present to you the Financial Statement of the company for the Third Quarter ended March 31, 2021

## Operating Results:

	9 Months ended Mar., 31, 2021 Rupees	9 Months ended Mar., 31, 2020 Rupees
Sales	1,062,304,423	904,542,285
Gross Profit	100,591,416	99,986,953
Profit Before Taxation	29,970,641	14,616,918
Taxation	9,454,378	4,385,076
Profit After Taxation	20,516,263	10,231,843
Earnings per Share	1.96	0.98

Your Company has been able to push its sales up by 16% as compared to the same period last year. Your Company has also managed to double the Earnings Per Share. We were able to increase the Profitability of your Company by reducing input costs.

The export sector had a promising start at the beginning of the calendar year, since the easing of lockdown and mass immunization helped business confidence. We could not fully enjoy this since Pakistan also faced a sudden rise in cotton prices that exceeded the global rise in cotton prices. While this impacted the 3rd Quarter's start, we see prices stabilizing as well as continued support from the Government to allow import of cotton into the country.

The last 3 months of the current financial year should see Your Company continue with its performance? We see increased demand for exports as the countries we export to ease lockdowns and go back to normalcy. Local demand seems steady as well, but will be unpredictable until we are certain of how COVID19's 3rd wave impacts our nation.

## Note of Thanks:

The Board would like to put on record its gratitude to its valued shareholders, customers and raw materials suppliers whose cooperation, constant support and patronage have enabled us to achieve our desired results.

The Board would also like to express its thanks to the Executives, Staff members and especially the Workers of your Company, who have loyally worked with utmost effort to make this all possible

For and on behalf of the Board

Lahore:  
April 29, 2021

FAISAL KHAN  
Chief Executive Officer

## ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز کو خوشی ہے کہ 31 مارچ 2021 کو ختم ہونے والی تیسری سہ ماہی کے لئے کمپنی کا مالی بیان آپ کے سامنے پیش کریں۔

نومای اختتام 31 مارچ 2021 روپے	نومای اختتام 31 مارچ 2021 روپے	
904,542,285	1,062,304,423	کل فروخت
99,986,953	100,591,416	منافع
14,616,918	29,970,641	منافع (نقصان) ٹیکسیشن سے پہلے
4,385,076	9,454,378	ٹیکسیشن
10,231,843	20,516,263	منافع (نقصان) ٹیکسیشن کے بعد
0.98	1.96	فی شیئر آمدنی

پچھلے سال کی اسی مدت کے مقابلہ میں آپ کی کمپنی اپنی فروخت میں 16 فیصد اضافے میں کامیاب رہی ہے۔ آپ کی کمپنی نے فی حصص آمدنی کو دو گنا کرنے میں بھی کامیابی حاصل کی ہے۔ ہم ان پرفارمنس لاگوں کو کم کر کے آپ کی کمپنی کے منافع میں اضافہ کرنے کے قابل تھے۔

برآمدی شعبے نے کیلنڈر سال کے آغاز میں ایک بڑے جوش آغاز کیا تھا، کیونکہ لاک ڈاؤن اور بڑے پیمانے پر حفاظتی ٹیکوں کی مدد سے کاروباری اعتماد میں مدد ملی۔ ہم اس سے پوری طرح لطف اندوز نہیں ہو سکے کیونکہ پاکستان کو بھی روٹی کی قیمتوں میں اچانک اضافے کا سامنا کرنا پڑا جو کپاس کی قیمتوں میں عالمی اضافے سے تجاوز کر گیا۔ اگرچہ اس نے تیسری سہ ماہی کے آغاز کو متاثر کیا، لیکن ہم قیمتوں میں استحکام کے ساتھ ساتھ ملک میں کپاس کی درآمد کی اجازت دینے کے لئے حکومت کی طرف سے مسلسل حمایت کرتے ہوئے بھی دیکھتے ہیں۔

موجودہ مالی سال کے آخری 3 ماہ میں آپ کی کمپنی کو اپنی کارکردگی کو جاری رکھتے ہوئے دیکھنا چاہیے؟ ہم برآمدات کی بڑھتی ہوئی طلب دیکھتے ہیں کیونکہ لاک ڈاؤن کو کم کرنے اور عام حالات میں جانے کے لئے جن ممالک کو ہم برآمد کرتے ہیں۔ مقامی مطالبہ بھی مستحکم لگتا ہے، لیکن یہ غیر متوقع ہے جب تک کہ ہمیں یقین نہیں آتا کہ COVID19 کی تیسری لہر قوم پر کیسے اثر ڈالتی ہے۔

## شکریہ کا لفظ:

بورڈ اپنے قابل قدر شیئرز، ہولڈرز، صارفین اور عام مال کی فراہمی کرنے والوں کے لئے اس کا شکریہ ادا کرنا چاہتا ہے جن کے تعاون، مستقل تعاون اور سرپرستی نے ہمیں اپنے مطلوبہ نتائج حاصل کرنے میں مدد فراہم کی ہے۔

بورڈ ایگزیکٹوز، اسٹاف ممبران اور خاص طور پر آپ کی کمپنی کے درکارز کا بھی شکریہ ادا کرنا چاہتا ہے، جنہوں نے اس سبب کامیابی کے لئے پوری کوشش کے ساتھ پوری وفاداری کے ساتھ کام کیا۔

بورڈ کی جانب سے:-

فیصل خان  
چیف ایگزیکٹو آفیسر

لاہور  
29 اپریل 2021



## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

### AS AT MARCH 31, 2021

	(UN-AUDITED) MARCH 31, 2021 Rupees	(AUDITED) June 30, 2020 Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised Capital		
12,500,000 ordinary shares of Rs. 10/- each	<u>125,000,000</u>	<u>125,000,000</u>
Issued, Subscribed & Paid up Capital:	<u>104,578,900</u>	<u>104,578,900</u>
Capital Reserve	<u>100,000,000</u>	<u>100,000,000</u>
Retained earning	<u>119,410,824</u>	<u>98,894,561</u>
	<b>323,989,724</b>	<b>303,473,461</b>
<b>NON-CURRENT LIABILITIES</b>		
Liabilities against assets subject to finance lease	<u>3,609,656</u>	<u>5,363,183</u>
Director Loan	<u>90,398,538</u>	<u>87,448,538</u>
Deferred liabilities	<u>56,397,744</u>	<u>56,397,744</u>
	<b>150,405,938</b>	<b>149,209,465</b>
<b>CURRENT LIABILITIES:</b>		
Short Term Finance	<u>482,701,425</u>	<u>508,626,794</u>
Current maturity of Finance Lease	<u>-</u>	<u>-</u>
Trade and other payable	<u>9,634,122</u>	<u>27,748,819</u>
Unclaim Dividend	<u>236,323,093</u>	<u>233,084,016</u>
Accrued Markup of short term loans-secured	<u>2,290,218</u>	<u>2,290,218</u>
Provision for Taxation	<u>9,050,438</u>	<u>11,097,362</u>
	<u>22,309,184</u>	<u>12,854,806</u>
	<b>762,308,480</b>	<b>795,702,015</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<u>-</u>	<u>-</u>
	<b>1,236,704,142</b>	<b>1,248,384,941</b>
<b>PROPERTY PLAND AND EQUIPMENT</b>		
<b>Operating Fixed Assets - Tangible</b>		
At Written down value	<u>376,412,439</u>	<u>400,164,402</u>
<b>CAPITAL WORK IN PROGRESS - P &amp; M</b>	<u>66,567,348</u>	<u>36,251,914</u>
<b>LONG TERM SECURITY DEPOSITS</b>	<u>5,481,071</u>	<u>9,813,086</u>
<b>CURRENT ASSETS:</b>		
Stores and spares	<u>25,729,070</u>	<u>13,528,250</u>
Stock in trade	<u>178,280,705</u>	<u>286,100,101</u>
Trade Debts	<u>289,799,426</u>	<u>326,115,399</u>
Loan & Advances	<u>148,176,460</u>	<u>36,345,516</u>
Trade deposits & Short Term pre-payments	<u>852,524</u>	<u>174,081</u>
Other Receivable	<u>116,866,466</u>	<u>118,311,714</u>
Cash and bank balances	<u>28,538,633</u>	<u>21,580,478</u>
	<b>788,243,284</b>	<b>802,155,539</b>
<b>TOTAL ASSETS</b>	<b>1,236,704,142</b>	<b>1,248,384,941</b>

The annexed notes form an integral part of this condensed interim financial statements.



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN - AUDITED)**  
**FOR THE PERIOD EDNED MARCH 31, 2021**

	Jul-20 TO Mar-21 Rupees	Jul-19 TO Mar-20 Rupees	Jan-21 TO Mar-21 Rupees	Jan-20 TO Mar-20 Rupees
<b>Sales - net</b>	<b>1,062,304,423</b>	<b>904,542,285</b>	<b>372,010,279</b>	<b>352,470,781</b>
<b>Less: Cost of sales</b>	<b>(961,713,007)</b>	<b>(804,555,332)</b>	<b>(346,219,488)</b>	<b>(322,614,387)</b>
<b>Gross Profit</b>	<b>100,591,416</b>	<b>99,986,953</b>	<b>25,790,791</b>	<b>29,856,394</b>
<b>Less: Operating expenses:</b>				
Administrative and General	(22,240,425)	(25,538,251)	(4,404,153)	(4,435,681)
Selling and Distribution	(15,498,246)	(16,622,261)	(8,658,699)	(7,307,289)
	(37,738,671)	(42,160,512)	(13,062,852)	(11,742,970)
<b>Operating profit / (loss)</b>	<b>62,852,745</b>	<b>57,826,441</b>	<b>12,727,939</b>	<b>18,113,424</b>
<b>Finance Cost</b>	<b>(31,304,702)</b>	<b>(42,440,211)</b>	<b>(7,488,906)</b>	<b>(18,110,968)</b>
	<b>31,548,043</b>	<b>15,386,230</b>	<b>5,239,033</b>	<b>2,456</b>
<b>Add: Other income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>31,548,043</b>	<b>15,386,230</b>	<b>5,239,033</b>	<b>2,456</b>
<b>Workers' profit participation fund</b>	<b>(1,577,402)</b>	<b>(769,311)</b>	<b>(261,951)</b>	<b>(122)</b>
<b>Profit / (loss) before taxation</b>	<b>29,970,641</b>	<b>14,616,919</b>	<b>4,977,082</b>	<b>2,334</b>
<b>Provision for taxation</b>	<b>(9,454,378)</b>	<b>(4,385,076)</b>	<b>1,121,746</b>	<b>4,590</b>
<b>Profit / (loss) after taxation</b>	<b>20,516,263</b>	<b>10,231,843</b>	<b>6,098,828</b>	<b>6,924</b>
<b>Earnings per share - basic</b>	<b>1.96</b>	<b>0.98</b>	<b>0.58</b>	<b>0.00</b>

The annexed notes form an integral part of this condensed interim financial statements.



**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN - AUDITED)**  
**FOR THE PERIOD EDNED MARCH 31, 2021**

	<b>MARCH 31, 2021 Rupees</b>	<b>MARCH 31, 2020 Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	29,970,641	14,616,918
<b>Adjustments for:</b>		
Depreciation	<b>24,881,257</b>	26,970,525
Financial Charges	<b>31,304,702</b>	42,440,211
Gain on disposal of assets	-	-
W.P.P.F	<b>1,577,402</b>	769,311
	<u>57,763,361</u>	<u>70,180,047</u>
<b>Cash Folw Before Working Capital Changes</b>		
<b>Working Capital Changes</b>	87,734,002	84,796,966
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools and	(12,200,820)	(1,775,005)
Stock in trade	107,819,396	(6,750,983)
Trade debts	36,315,973	57,368,267
Loan and advances	(111,830,944)	(85,303,859)
Trade deposits and short prepayments	(678,443)	(270,194)
Other Receivables	1,445,248	(11,152,073)
Increase/ (decrease) in current liabilities		
Trade and other payables	<b>1,661,675</b>	41,235,307
	<u>22,532,085</u>	<u>(6,648,540)</u>
<b>Cash Generated from Operations</b>	110,266,087	78,148,426
Financial Cost Paid	<b>(33,351,626)</b>	(47,988,971)
Dividend paid	-	
<b>Net Cash inflow /(outflow) from operating activities</b>	<u>76,914,461</u>	<u>30,159,455</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Security Deposits	4,332,015	200,000
Fixed capital expenditure	<b>(1,129,294)</b>	(6,890,550)
Capital Work In Progress	(30,315,434)	(10,486,294)
<b>Net Cash inflow /(outflow) from Investing activities</b>	<u>(27,112,713)</u>	<u>(17,176,844)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Long Term loans (Paid)/Received	2,950,000	(1,000,000)
Payment of liabilities against assets subject to finance lease	(19,868,224)	(14,758,544)
<b>Net Cash inflow /(outflow) from Financing activities</b>	<u>(16,918,224)</u>	<u>(15,758,544)</u>
<b>Net (Increase) / Decrease in cash and cash equivalents</b>	32,883,524	(2,775,933)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>(487,046,316)</u>	<u>(409,427,641)</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THIRD QUARTER</b>	<u><u>(454,162,792)</u></u>	<u><u>(412,203,574)</u></u>
<b>A CASH AND CASH EQUIVALENTS</b>		
Short term finance	(482,701,425)	(424,713,505)
Cash and Bank balances	28,538,633	12,509,931
	<u><u>(454,162,792)</u></u>	<u><u>(412,203,574)</u></u>

The annexed notes form an integral part of this condensed interim financial statements.



## ARUJ INDUSTRIES LTD.

### STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTH AND QUARTER ENDED MARCH 31,2021

	Share Capital Rupees	Capital Reserves Rupees	Un-appropriat- ed Profit Rupees	Total Rupees
Balance as at July 01.2019	104,578,900	100,000,000	88,547,611	293,126,511
Net Profit for 3 Months upto March 31 , 2020			10,231,843	10,231,843
Balance as at March 31,2020	<u>104,578,900</u>	<u>100,000,000</u>	<u>98,779,454</u>	<u>303,358,354</u>
Balance as at July 01.2020	104,578,900	100,000,000	98,894,561	303,473,461
Net Profit for 3 Months upto March 31, 2021			20,516,263	20,516,263
Balance as at March 31.2021	<u>104,578,900</u>	<u>100,000,000</u>	<u>119,410,824</u>	<u>323,989,724</u>

The annexed notes form an integral part of this condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer



**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL  
STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2021**

**1 LEGAL STATUS AND OPERATIONS**

Aruj Industries Limited ("the Company") was incorporated in Pakistan on December 31, 1992 under the Companies Ordinance, 1984 (now the Companies Act 2017), as a Public Company, limited by shares which are quoted on Pakistan Stock Exchange Limited. The company is principally engaged in manufacturing of Fusible Interlining and Dying / Bleaching / Stitching of Fabric. The Company commenced its commercial operations on May 15, 1995. The registered office and factory of the Company is situated at 2-KM, Off Raiwind Manga Road, Raiwind, Lahore.

**2 BASIS OF PREPARATION**

This condensed interim financial information is prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of;

-International Accounting Standard (IAS) 34, issued by the International Accountin Standards Board (IASB) as notified under the Companies Act, 2017;

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

case where requirements differ, the provision of or directives issued under the Companies Act, 2017 have been followed.

**3 BASIS OF MEASUREMENT**

This condensed interim financial information has been prepared under the historical cost convention. In this condensed interim financial information, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

**4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2020. Except for the adoption of new and amendment accounting standards as of July 01, 2019.

**4.1 New standards / amendments adopted by the Company**

**Leases - IFRS 16**

IFRS 16 affect primarily the accounting by lessees and results in the recognition of almost all leases on statement of financial position. The standard removes the distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

On initial application, the Company is using recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option, and lease contracts for which the underlying asset is a low-value assets. Accordingly, initial application of IFRS 16 did not have any impact on these condensed interim financial statements.

**Financial Instruments - IFRS 9**

The IFRS 9 introduces new requirements for the recognition, classification and measurement of financial assets and liabilities & impairment of financial assets. IASB has published the complete version of IFRS 9, 'Financial Instruments', which replaces the guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. Classification and measurement of financial assets Under IFRS 9, financial assets can be classified into three categories i.e. financial assets through profit & loss, financial assets measured at amortized cost & financial assets through other comprehensive income. On July 01, 2020, the Company has assessed which measurement apply to the financial assets held by the Company. The initial application of IFRS 9 only effected the classification of certain financial assets that were previously recognised as loans and receivables. The adoption of standards doesn't effect the reported figures of the financial assets and liabilities of the Company.

**4.2 Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out as on June 30, 2020.**

The impact of remeasurement of staff retirement benefit plans has not been incorporated in these condensed interim financial statements.

**5 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved and authorized for issue on April 29, 2021 by the board of directors of the Company.

**6 CORRESPONDING FIGURES**

Corresponding figures have been rearranged / reclassified, wherever necessary.

**7 GENERAL**

- Figures have been rounded off to the nearest of rupees.
- Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.



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- 📍 **Corporate Office:** 2-Km off Raiwind Manga Road,  
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