



ARUJ INDUSTRIES LTD.

Apparel



Dyeing &
Processing



Interlining



34th
Annual Report 2026

www.aruj.com

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VISION AND MISSION STATEMENT

THE VISION

To be the leader in interlining industry by building companies image through Quality improvement, Customer satisfaction and by maintaining a high level of ethical and professional standards through Optimum use of resources.

MISSION STATEMENT

1. Endeavoring to be the Market leader and international player by enhancing market share and to conduct business in the best possible manner by using high level of ethical professionalism.
2. Seeking long term and good trading relation with customers and suppliers with fair, honest and mutually profitable dealings.
3. Building an excellent reput e of our organization and to maintain high professional and ethical standards with eyes on the future.
4. Offering high quality products according to the highest international standards.
5. Continuous enhancement in shareholders' value through team work and constant improvement in performance in all operating areas in competitive business
6. Providing congenial work environment, where employees are treated with respect and dignity and work as a team of common goals.
7. Contributing to the national economy by uplifting and skills diversification of the people through fulfillment of our social responsibility

COMPANY PROFILE

BOARD OF DIRECTORS

1. Mr. Ali Maqsood Butt	:	Chair Person
2. Mr. Faisal Khan	:	Chief Executive
3. Mr. SH. Ghulam Mustafa	:	Director
4. Mrs. Durray Zara Butt	:	Director
5. Dr. Aruj Butt	:	Director
6. Mr. Muhammad Sajjad Hussain	:	Director
7. Miss Amara Javid	:	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

Mr. Muhammad Sajjad Hussain	Member
Mr. SH. Ghulam Mustafa	Chairman
Miss Amara Javid	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

Mr. Muhammad Sajjad Hussain	Member
Dr. Aruj Butt	Member
Miss Amara Javid	Chairman

BANKERS

Bank Alfalah Limited.
Habib Bank Limited.
Bank of Punjab.
Habib Metropolitan Bank Ltd.
Meezan Bank
Bank Al Habib

NOTICE OF 34th ANNUAL GENERAL MEETING.

Notice is hereby given that 34th Annual General Meeting of **Aruj Industries Limited** will be held on Wednesday, October 28, 2026 at 8:30 AM at 1-KM, Off: Raiwind Road, Thokar, Lahore to transact the following business: -

ORDINARY BUSINESS:

1. To Confirm the Minutes of last Annual General Meeting held on 27th November, 2025.
2. To receive and adopt the Annual Audited Accounts for the year ended June 30, 2026 along with Directors and Auditors report thereon.
3. To appoint Auditors of the Company to hold office till the conclusion of next Annual General Meeting and to fix their remuneration.

4. SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification(s), the resolution appearing below:

“Resolved that the Authorized Capital of the Company be increased from Rupees 125 million (Rupees One hundred twenty five million only) to Rupees 200 million (Two hundred million only) divided into 20,000,000 ordinary shares of Rs. 10/- each”.

“Further Resolved that the clause V of the Memorandum and clause 5 of the Articles of Association will be amended to reflect this increase in Authorized Capital”.

Further Resolved that the Chief Executive Officer and the Company Secretary are hereby authorized to take all necessary actions to implement the increase in the Company's authorized share capital and to amend the relevant clauses of the Memorandum and Articles of Association accordingly”.

5. Dissemination of Annual Audited Financial Through QR Code:

To approve the dissemination of Annual Audited Financial Statements along with auditor's report, chairman's review report through QR enabled code and weblink instead of transmitting the same in the form of CD/DVD/USB, in accordance with Section 223(6) of the ACT, read with S.R.O. 389(1) 2023 date 21st March 2023, subject to the approval of the shareholders in the general meeting.

“RESOLVED THAT the dissemination of information regarding Annual Audited Financial Statements to the shareholders, through **QR enabled code** and weblink as notified by the Securities and Exchange Commission of Pakistan (“SECP”, “Commission”) vide its SRO 389(I) 2023, date 21st March 2023, be and is hereby approved while considering technological advancements and old technology obsolete, the circulation of Annual Financial Statements through CD/DVD/USB to be discontinued.”

Any Other Business

6. To transact any other business with the permission of the Chair.

By order of the Board

Lahore.
October 06, 2026

Muhammad Sajjad Hussain
Company Secretary

NOTES:

- 1) Share Transfer Books of the Company will remain closed from October 21, 2026 to October 28, 2026 (both days inclusive). Transfers received in order at company's Shares Registrar Office at the close of business on October 20, 2026 will be treated as in time.
- 2) A member eligible to attend and vote at this meeting may appoint another member as his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must be received at the Company's Registered Office, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
- 3) In accordance with the provision of section 223 and 237 of the Companies Act, 2017 the audited financial statement of the Company for the year, which ended of June 30, 2026 are available on the company's website: www.aruj.com

- 4) Shareholders/investors and analysts who are interested in attending the AGM through zoom Link virtually are requested to register themselves by Monday, October 26, 2026 at sajjad@aruj.com
- 5) Members can also exercise the right of E-voting subject to the requirements of Section 143-145 of Companies Act, 2017 and applicable cluses of Companies (Postal Ballot) Regulations 2018.
- 6) Shareholders are requested to immediately notify the change in address, if any to Company Shares Registrar i.e. M/s Corplink (Pvt.) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore Tel: 042-35916714-35916719

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out all the material facts concerning Special Business under Agenda item No.4 be transacted at the Annual General Meeting of the Company to be held on October 28, 2026. Currently, the Authorized Share Capital of Aruj Industries Limited stands at Rupees 125,000,000 to support the future requirement of the Company, it is deemed necessary to increase the Authorized Share Capital from Rupees 125,000,000 to Rupees 200,000,000, divided into 20,000,000 ordinary shares of Rupees 10 each.

The Company shall seek the approval of the shareholders to circulate the Annual Financial Statements to its members through QR enabled code and weblink as required u/section 233(7) of the Companies Act and SECP Notification SRO 389 (1) /2023 dated 21st March 2023.

Shareholders have the right to request for the hard copy of the Annual Financial Statements, which the Company shall provide free of cost within one week of receiving a written request.

5) ممبران کمپنیز ایکٹ 2017 کی دفعات 143-145 اور کمپنیز (پوسٹل بیٹ) ریگولیشنز 2018 کی قابل اطلاق شقوں کے تقاضوں کے مطابق ای۔ووٹنگ (E-voting) کے حق کا استعمال بھی کر سکتے ہیں۔

6) شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ اگرچہ میں کوئی تبدیلی ہو تو کمپنی کے شیئرز رجسٹرار، یعنی، M/s Corplink (Pvt.) Limited ونگز آر کیڈ، 1-کے، کمرشل، ماڈل ٹاؤن، لاہور (ٹیلی فون: 042-35916719-35916714) کو فوری طور پر مطلع کریں۔

کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت بیان

یہ بیان ان تمام اہم حقائق کا احاطہ کرتا ہے جن کا تعلق خصوصی کاروبار (Special Business) سے ہے اور جن پر 28 اکتوبر 2026 کو منعقد ہونے والے کمپنی کے سالانہ عام اجلاس میں کارروائی کی جائے گی (ایجنڈا آئٹم نمبر 4)۔ فی الحال، Aruj Industries Limited کا مجاز شیئر کیپٹل (Authorized Share Capital) 125,000,000 روپے ہے۔ کمپنی کی مستقبل کی ضروریات کو پورا کرنے کے لیے، مجاز شیئر کیپٹل کو 125,000,000 روپے سے بڑھا کر 200,000,000 روپے کرنا ضروری سمجھا گیا ہے، جو 10 روپے فی حصص مالیت کے 20,000,000 عام حصص (ordinary shares) پر مشتمل ہوگا۔ کمپنی، کمپنیز ایکٹ کی دفعہ 233(7) اور ایس ای سی پی (SECP) کے نوٹیفکیشن SRO 389(1)/2023 (مورخہ 21 مارچ 2023) کے تقاضوں کے مطابق، اپنے اراکین کو سالانہ مالیاتی گوشوارے QR کوڈ اور ویب لنک کے ذریعے فراہم کرنے کے لیے شیئرز ہولڈرز سے منظوری حاصل کرے گی۔

شیئرز ہولڈرز کو یہ حق حاصل ہے کہ وہ سالانہ مالیاتی گوشواروں کی ہارڈ کاپی (کاغذی شکل) طلب کر سکیں؛ کمپنی تحریری درخواست موصول ہونے کے ایک ہفتے کے اندر یہ کاپی بلا معاوضہ فراہم کرے گی۔

عروج انڈسٹریز لمیٹڈ اطلاع برائے 34 ویں سالانہ اجلاس عام

اس کے ذریعے مطلع کیا جاتا ہے کہ "اروج انڈسٹریز لمیٹڈ" (Aruj Industries Limited) (34 واں سالانہ اجلاس عام بدھ، 28 اکتوبر 2026 کو صبح 8:30 بجے، 1- کلو میٹر آف رانیو نڈروڈ، ٹھوکر علاہور کے مقام پر منعقد ہو گا جس میں درج ذیل امور نمٹائے جائیں گے:

عام امور:

- 27 نومبر 2025 کو منعقدہ گزشتہ سالانہ اجلاس عام کی کارروائی (منٹس) کی توثیق کرنا۔
- 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ گوشوارہ جات (Accounts) (کو مان پورڈائزیکٹر زاور آڈیٹرز کی رپورٹس سمیت، وصول اور منظور کرنا۔
- کمپنی کے آڈیٹرز کا تقرر کرنا جو اگلے سالانہ اجلاس عام کے اختتام تک اپنے عہدے پر فائز رہیں گے اور ان کے معاوضے کا تعین کرنا۔
- خصوصی امور:

غور کرنا اور، اگر مناسب سمجھا جائے تو، ترمیم کے ساتھ یا بغیر ترمیم کے بذیل دی گئی قرارداد کی منظوری دینا:

- “یہ قرارداد منظور کی جاتی ہے کہ کمپنی کے مجاز سرمائے (Authorized Capital) (کو 125 ملین روپے (ایک سو پچیس ملین روپے) سے بڑھا کر 200 ملین روپے (دو سو ملین روپے) کر دیا جائے، جو 10 روپے فی حصص مالیت کے 20,000,000 عام حصص (ordinary shares) پر مشتمل ہو گا۔”
- ”مزید یہ کہ قرارداد منظور کی جاتی ہے کہ میمورنڈم کی شق V اور آرٹیکلز آف ایسوسی ایشن کی شق 5 میں ترمیم کی جائے گی تاکہ مجاز سرمائے میں اس اضافے کی عکاسی کی جاسکے۔“ مزید یہ کہ چیف ایگزیکٹو آفیسر اور کمپنی سیکرٹری کو اس بات کا مجاز ٹھہرایا جاتا ہے کہ وہ کمپنی کے مجاز شیئر کیپیٹل (authorized share capital) میں اضافے پر عمل درآمد کے لیے تمام ضروری اقدامات کریں اور اس کے مطابق میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کی متعلقہ شقوں میں ترمیم کریں۔
5. کیو آر (QR) (کوڈ کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی فراہمی:

عام اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ایکٹ کی دفعہ 223(6) اور (S.R.O. 389(1) 2023) مورخہ 21 مارچ 2023 کے تحت سالانہ آڈٹ شدہ مالیاتی گوشواروں (بشمول آڈیٹرز کی رپورٹ اور چیئر مین کی جائزہ رپورٹ) کو CD/DVD/USB کی شکل میں بھیجنے کے بجائے QR کوڈ اور ویب لنک کے ذریعے فراہم کرنے کی منظوری دینا۔

”یہ قرارداد منظور کی جاتی ہے کہ“ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی کمیشن کی جانب سے 2023 (SRO 389(I) مورخہ 21 مارچ 2023) کے ذریعے جاری کردہ نوٹیفکیشن کے مطابق، شیئر ہولڈرز کو سالانہ آڈٹ شدہ مالیاتی گوشواروں سے متعلق معلومات QR کوڈ اور ویب لنک کے ذریعے فراہم کرنے کی منظوری دی جاتی ہے، اور تکنیکی پیش رفت کو مد نظر رکھتے ہوئے اوپر انی ٹیکنالوجی کو مقرر کردہ طریقے سے، CD/DVD/USB کے ذریعے سالانہ مالیاتی گوشواروں کی ترسیل کا سلسلہ بند کیا جاتا ہے۔“

دیگر امور

6. صدر اجلاس کی اجازت سے کسی بھی دیگر معاملے پر کارروائی کرنا۔

لاہور

حسب الحکم بورڈ

(محمد سجاد حسین)

کمپنی سیکرٹری

06 اکتوبر 2026ء

نوٹ:

(1) کمپنی کی شیئر ٹرانسفر بکس 21 اکتوبر 2026 سے 28 اکتوبر 2026 تک (دونوں دن شامل) بند رہیں گی۔ 20 اکتوبر 2026 کو کاروباری اوقات کے اختتام تک کمپنی کے شیئرز رجسٹرار آفس میں ضابطے کے مطابق موصول ہونے والی ٹرانسفرز کو مقررہ وقت کے اندر تصور کیا جائے گا۔

(2) اس اجلاس میں شرکت اور ووٹ دینے کا اہل کوئی بھی رکن کسی دوسرے رکن کو اپنی جگہ شرکت کرنے اور ووٹ دینے کے لیے بطور 'پراکسی' (proxy) مقرر کر سکتا ہے۔ پراکسی کے موثر ہونے کے لیے ضروری ہے کہ وہ اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار آفس میں موصول ہو جائے، اور اس پر مناسب اسٹامپ، دستخط اور گواہوں کے دستخط موجود ہوں۔ (3) کمپنی ایکٹ 2017 کی دفعات 223 اور 237 کے تحت، 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ www.aruj.com پر دستیاب ہیں۔

(4) وہ شیئر ہولڈرز/سرمایہ کار اور تجزیہ کار جو Zoom (لنک کے ذریعے ورچوئل طور پر سالانہ عام اجلاس (AGM) میں شرکت کے خواہشمند ہیں، ان سے درخواست کی جاتی ہے کہ وہ پیر، 26 اکتوبر 2026 تک sajjad@aruj.com پر اپنی رجسٹریشن کروائیں۔

BALLOT PAPER FOR VOTING THROUGH POST

For poll at the Annual General Meeting (AGM) of Aruj Industries Limited to be held on Wednesday, October 28, 2026 at 8:30 a.m. at 1-KM, Off Raiwind Road, Thokar Lahore.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner) (Copy to be attached)	
<u>Additional Information and enclosures</u> (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (√) mark in the appropriate box below (delete as appropriate):

Special Business 4. To consider and, if thought fit, to pass with or without modification(s), the resolution appearing below: “Resolved that the Authorized Capital of the Company be increased from Rupees 125 million (Rupees One hundred twenty five million only) to Rupees 200 million (Two hundred million only) divided into 20,000,000 ordinary shares of Rs. 10/- each”. “Further Resolved that the clause V of the Memorandum and clause 5 of the Articles of Association will be amended to reflect this increase in Authorized Capital”. Further Resolved that the Chief Executive Officer and the Company Secretary are hereby authorized to take all necessary actions to implement the increase in the Company's authorized share capital and to amend the relevant clauses of the Memorandum and Articles of Association accordingly”. 5. To approve the dissemination of Annual Audited Financial Statements along with auditor's report, chairman's review report through QR enabled code and weblink instead of transmitting the same in the form of CD/DVD/USB, in accordance with Section 223(6) of the ACT, read with S.R.O. 389(1) 2023 date 21st March 2023, subject to the approval of the shareholders in the general meeting. “RESOLVED THAT the dissemination of information regarding Annual Audited Financial Statements to the shareholders, through QR enabled code and weblink as notified by the Securities and Exchange Commission of Pakistan (“SECP”, “Commission”) vide its SRO 389(I) 2023, date 21st March 2023, be and is hereby approved while considering technological advancements and old technology obsolete, the circulation of Annual Financial Statements through CD/DVD/USB to be discontinued.”
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Sr. No.	Nature and Description of Resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Special Resolutions as per Agenda # 4 (as given above)			
2	Special Resolutions as per Agenda # 5 (as given above)			

Signature of shareholder(s)

Place: _____

Date: _____

NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

1. Duly filled postal ballot should be sent to the Chairman, if sent via courier to 1-KM, Off Raiwind Road, Thokar Lahore, and if sent via email to sajjad@aruj.com
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman of the meeting on or before October 27, 2026, during working hours. Any postal ballot received after this date will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated or over written ballot paper will be rejected.
6. Ballot Paper has also been placed at the website of the Company www.aruj.com Members may download the ballot paper from the website or use original/photocopy published in newspapers.

CHAIRPERSON'S REVIEW

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of **ARUJ INDUSTRIES LIMITED** is carried out. The objective of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of goals set for the Company.

For the financial year ended June 30, 2026, the Board's overall performance and effectiveness has been assessed as satisfactory. The Board also identifies areas of improvement in line with the best practices.

The Board received wide-ranging agendas and supporting papers in a timely manner for its meetings. The Board was fully involved in the strategic planning process and in developing the vision for the Company. All Directors, including Independent Director, fully took part in and made contributions to the decision-making process of the Board. The Board has in place comprehensive policies for all relevant areas of the Company's operation and these policies are reviewed and updated from time to time.

The Audit Committee and Human Resources & Remuneration Committee met regularly to fortify the functions of the board.

The company has an independent Internal Audit department, which leads the Internal Audit function and follows a risk based Audit methodology. Audit reports are presented to the Board for review and actions where necessary.

In the closing, on behalf of the Board I wish to acknowledge the contribution of all our employees in the success of the Company. I would like to thank our shareholders, bankers, customers, suppliers and other business partners for their confidence and support.

Mr. Ali Maqsood Butt
Chairperson
Dated: October 06, 2026

چیئر مین کا جائزہ

جیسا کہ کارپوریٹ گورننس کے تحت ضروری ہے، عروج انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی سالانہ کارکردگی کا جائزہ لیا جاتا ہے۔ اس جائزے کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور اثر کو کمپنی کے لئے مقرر کردہ مقاصد کے تناظر میں پرکھا جائے۔

30 جون، 2026 کو ختم ہونے والے مالی سال کے لئے، بورڈ کی مجموعی کارکردگی اور اثر تسلی بخش رہی ہے۔ بورڈ بہترین طریقوں کے تناظر کے ساتھ بہتری کیلئے بھی نشاندہی کرتا ہے۔

بورڈ نے اپنی میٹنگ کے لئے بروقت انداز میں وسیع ایجنڈا اور متعلقہ کاغذات وصول کیے ہیں۔ بورڈ اسٹریٹجک منصوبہ بندی کے عمل میں اور کمپنی کے نقطہ نظر کو فروغ دینے میں مکمل طور پر شریک تھا۔ تمام ڈائریکٹرز، بشمول آزاد ڈائریکٹرز نے مکمل طور پر بورڈ کے فیصلے سازی کے عمل میں حصہ لیا۔ بورڈ کمپنی کے آپریشن کے تمام متعلقہ شعبوں کے لئے جامع پالیسیاں بناتا ہے اور ان پالیسیوں کا وقفوں سے جائزہ لیا جاتا ہے اور اپ ڈیٹ کیا جاتا ہے۔ آڈٹ کمیٹی اور انسانی وسائل اور معاوضہ کمیٹی نے باقاعدگی سے بورڈ کے افعال کو مضبوط بنانے کے لئے میٹنگز کی تھیں۔

کمپنی میں ایک اندرونی آڈیٹ ڈیپارٹمنٹ ہے، جو اندرونی آڈیٹ کی قیادت کرتا ہے اور خطرے کی بنیاد پر آڈٹ کے طریقہ کار کی پیروی کرتا ہے۔ آڈٹ کی رپورٹوں کو جائزہ لینے اور اقدامات کے لئے بورڈ کو پیش کیا جاتا ہے۔

آخر میں بورڈ کی طرف سے اپنے تمام ملازموں کے تعاون کو تسلیم کرنا چاہتا ہوں۔ میں اپنے حصص داروں، بینکوں، گاہکوں، سپلائرز اور دیگر کاروباری شراکت داروں کو ان کے اعتماد اور حمایت کے لئے شکریہ ادا کرنا چاہتا ہوں۔

علی مقصود بٹ

چیئر مین

تاریخ: 06 اکتوبر 2026ء

DIRECTOR'S REPORT

The Directors of your Company would like to present to you the 34th Annual General Meeting of **Aruj Industries Ltd.** and would like to present their report along with the audited accounts for the year ended 30th June, 2026.

OPERATING RESULTS:

	For the year ended June 30, 2026 Rupees	For the year ended June 30, 2025 Rupees
Sales	-	191,800
Gross Loss	(24,929,461)	(25,425,258)
Profit/(Loss) Before Taxation	(32,783,886)	(36,651,246)
Taxation	4,513,655	3,764,787
Profit/(Loss) After Taxation	(37,297,541)	(40,416,033)
Loss per Share- basic and diluted	(3.57)	(3.86)

SALIENT FEATURES:

As stated before, the Founder of your Company, Mr Maqsood Ahmad Butt, has started injecting his own finances to jumpstart the Company. We had mentioned the unexpected delay in securing this bailout. Now, we are certain that this cash injection will begin from the 2nd Quarter of the new financial year.

We are still looking at avenues to explore, but we are seeing a positive outlook at the local economy, which would help us in achieving our goals.

In this regard, Your Company will have more to disclose in the next quarterly report. We would like to thank our shareholders for showing resolve in this troubling time, and once again extend our thanks to Mr Maqsood Ahmad Butt for stepping in at a crucial time.

STATEMENT OF COMPLIANCE ON CORPORATE AND FINANCIAL FRAME WORK:

The management is fully aware of the compliance with code of corporate governance as incorporated in the additional listings regulations of the stock exchanges and necessary steps have been taken for their effective implementations which are as follows:

PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

BOOKS OF ACCOUNTS:

Proper books of account of the Company have been maintained.

ACCOUNTING POLICIES:

Appropriate accounting policies have been consistently applied in preparation of financial and accounting estimate are based on reasonable and prudent judgment.

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS:

International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

INTERNAL CONTROL SYSTEM:

The system of internal control of the Company is sound and has been effectively implemented and is being monitored by the qualified internal auditors.

GOING CONCERN:

There are no significant doubts upon the Company's ability to continue as a going concern.

BEST PRACTICES OF CORPORATE GOVERNANCE:

There has been no material departure from the best practices of corporate governance, as described in the listing regulations of the stock exchanges.

FINANCIAL DATA OF LAST SIX YEARS:

Key operating and financial data of last six years is annexed.

OUTSTANDING STATUTORY DUES:

The Company is regular payer of all Government dues and previous record is quite evident and clear in this regard.

SIGNIFICANT PLANS AND DECISIONS:

As part of its balancing modernization and replacement plan, the Company has added certain machinery to increase the quality of its products.

MEETINGS OF BOARD OF DIRECTORS:

During the year Eight meetings of the board of Directors of the Company were held. Attendance by each Director in the meeting is as follows:

Name of Directors		Meeting Attended
1.	Mr. Ali Maqsood Butt	5
2.	Mr. Faisal Khan	2
3.	Mr. Durray Zara Butt	5
4.	Dr. Aruj Butt	3
5.	Mr. Muhammad Sajjad Hussain	5
6.	Sheikh Ghulam Mustafa	4
7.	Miss Amara Javid	3
		-

Leave of absence was granted to the directors who could not attend the meeting of the board.

AUDIT COMMITTEE:

The Board of Directors in compliance to the code of corporate governance has established an audit committee and the following directors are its members.

1.	Mr. Muhammad Sajjad Hussain	Member
2.	Sheikh Ghulam Mustafa	Chairman
3.	Miss Amara Javid	Member

EARNING PER SHARES:

Loss per share for the period ended 30th June 2026 works out to Rs. (3.57) as compared to Rs. (3.86) per share of the last year.

AUDITORS:

The auditors, M/s Qadeer & Company, Chartered Accountants have retired and being eligible, have offered themselves for re-appointment.

The audit committee of the board has recommended to the board their appointment as auditors of the Company for the year 2026-27.

PATTERN OF SHAREHOLDING:

Statements showing the Pattern of Shareholding as at 30 June, 2026 required under the Company Act, 2017 and the code of corporate governance are annexed.

TRADING IN COMPANY'S SHARES:

The Directors, CEO, traded in the shares of the Company during the year have been disclosed in form 34 attached in this annual report.

ACKNOWLEDGEMENT:

We would like to take this opportunity to express our appreciation to the management and employees of the Company for their hard work and dedication. We would also like to express our gratitude to our valued shareholders, customers, suppliers and financial institutions for their cooperation, constant support and trust reposed in your Company.

FOR AND ON BEHALF OF THE BOARD

Lahore
Dated: October 06, 2026

Ali Maqsood Butt
(Chairman)

MR.FAISAL KHAN
(Chief Executive)

کمپنی کے حصص میں تجارت:

سال کے دوران کمپنی کے حصص کی تجارت کرنے والے ڈائریکٹرز، سی ای او کا انکشاف اس سالانہ رپورٹ میں منسلک فارم 34 میں کیا گیا ہے۔

اعتراف:

کمپنی کی انتظامیہ، ملازمین کی محنت اور لگن سے کام کرنے کیلئے تعریف کے مستحق ہیں ہم اپنے قابل قدر حصص یافتگان، گاہکوں، سپلائرز اور مالیاتی اداروں کے تعاون، مدد، مسلسل حمایت اور اعتماد کے شکرگزار ہیں۔

فیصل خان

چیف ایگزیکٹو

لاہور

تاریخ: 06 اکتوبر، 2026ء

علی مقصود بٹ

(چئیرمین)

بورڈ آف ڈائریکٹرز کے اجلاس:

سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے آٹھ اجلاس منعقد کئے گئے تھے، ہر ایک کی طرف سے حاضری کی تفصیل یہ ہے۔

1.	جناب علی مقصود بٹ	5
2.	جناب فیصل خان	2
3.	مسز درے زار ابٹ	5
4.	ڈاکٹر عروج بٹ	3
5.	محمد سجاد حسین	5
6.	شیخ غلام مصطفیٰ	4
7.	مس عمارہ جاوید	3

جوڈائریکٹرز بورڈ کے اجلاس میں شرکت نہیں کر سکتے تھے، ان کی رخصت دی گئی تھی۔

آڈٹ کمیٹی:

کارپورٹ گورننس کے کوڈ پر عمل پیرا ہوتے ہوئے بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی قائم کیا ہے اور مندرجہ ذیل ڈائریکٹرز اس کے اراکین ہیں۔

1.	محمد سجاد حسین	رکن
2.	شیخ غلام مصطفیٰ	چیئر پرسن
3.	مس عمارہ جاوید	رکن

ایک حصص کمائی:

30 جون 2025 کو ختم ہونے والے سال کیلئے ہر 10 روپے کے حصص پر (3.57) روپے فی حصص نقصان ہوا جبکہ 30 جون 2026 کو ختم ہونے والے سال کیلئے ہر حصص پر نقصان (3.86) روپے تھی۔

آڈیٹرز:

میسرز قدیر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور اہل ہونے کے ساتھ دوبارہ تعیناتی کیلئے اپنے آپ کو پیش کر رہے ہیں۔ بورڈ کی آڈٹ کمیٹی نے سال 2026-27 کے لیے میسرز قدیر اینڈ کمپنی کی تقرری کیلئے بورڈ کو تجویز کیا ہے۔

شیئر ہولڈنگ کا پیٹرن:

کمپنی ایکٹ 2017 کے تحت 30 جون 2026 کو شیئر ہولڈنگ کے پیٹرن کو ظاہر کرنے والے بیانات اور کارپوریٹ گورننس کے ضابطہ کے ساتھ منسلک ہیں۔

Corporate and Financial فریم ورک پر تعمیل کا بیان:

انتظامیہ کارپوریٹ اور فنانشل فریم ورک پر عمل درآمد کے بارے میں بخوبی آگاہ ہے بشمول اسٹاک ایکسچینج کی اضافی لسٹنگ کے ضابطے کے جن کی تعمیل کے لیے اقدام کیے گئے ہیں۔

مالی بیانات کی پریزنٹیشن:

کمپنی کی انتظامیہ کی طرف سے تیار کیے گئے مالی بیانات، کمپنی کی کاروباری امور، اس کے آپریشنز، اور ایکویٹی کی تبدیلی کے بارے میں مناسب طور پر پیش کرتے ہیں۔

اکاؤنٹس کی کتب:

حساب کتاب کی کتابوں کو صحیح طریقے سے رکھا گیا ہے۔

اکاؤنٹنگ پالیسیاں:

مالی بیانات اور اکاؤنٹنگ تخمینہ کی تیاری میں اکاؤنٹنگ پالیسیوں کے تسلسل کو لاگو کیا گیا ہے۔ جو کہ دانشمندانہ فیصلے پر مبنی ہیں۔

بین الاقوامی اکاؤنٹنگ معیار کے ساتھ تعمیل:

انٹرنیشنل اکاؤنٹنگ سٹینڈرڈ جو کہ پاکستان میں لاگو ہیں، ان کی پیروی کرتے ہوئے مالی بیانات بنائے گئے ہیں اور جہاں پیروی نہیں کی گئی، ان کا انکشاف کر دیا گیا ہے۔

اندرونی کنٹرول کا نظام:

کمپنی کی اندرونی کنٹرول کا نظام مضبوط ہے اور موثر طریقے سے لاگو کیا گیا ہے، اور قابلیت رکھنے والے اندرونی آڈیٹرز کی نگرانی میں ہیں۔

حالیہ تشویش:

ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔

کارپوریٹ گورننس کے بہترین طرز عمل:

کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی، جیسا کہ اسٹاک ایکسچینج کے لسٹنگ کے ضوابط میں بیان کیا گیا ہے۔

گزشتہ چھ سالوں کا مالیاتی ڈیٹا:

پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

بقایا قانونی واجبات:

کمپنی تمام سرکاری واجبات کی باقاعدہ ادائیگی کرنے والی ہے اور اس سلسلے میں سابقہ ریکارڈ بالکل واضح اور واضح ہے۔

اہم منصوبے اور فیصلے:

کمپنی کے پیداواری عمل کو جدید، متوازن اور متبادل بنانے کے لیے کمپنی نے کچھ مشینری شامل کی ہے۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی عروج انڈسٹریز لمیٹڈ کے ڈائریکٹرز کمپنی کے 34 ویں سالانہ عام اجلاس کے سامنے 30 جون 2026 میں ختم ہونے والے سال کے لیے آڈٹ شدہ اکاؤنٹس کے ساتھ ساتھ اپنی رپورٹ پیش کرنا چاہیں گے۔

سال 30 جون 2025

سال 30 جون 2026

کے اختتام پر

کے اختتام پر

191,800

-

سیلز

(25,425,258)

(24,929,461)

کل نقصان

(36,651,246)

(32,783,886)

منافع / (نقصان) ٹیکسیشن سے پہلے

3,764,787

4,513,655

ٹیکسیشن

(40,416,033)

(37,297,541)

(نقصان) ٹیکسیشن سے بعد

(3.86)

(3.57)

(نقصان) فی شیئر آمدنی

نمایاں خصوصیات:

جیسا کہ پہلے ذکر کیا جا چکا ہے، آپ کی کمپنی کے بانی، جناب مقصود احمد بٹ نے کمپنی کو دوبارہ فعال کرنے کے لیے اپنے ذاتی مالی وسائل لگانا شروع کر دیے ہیں۔ ہم اس مالی امداد (نیل آؤٹ) کے حصول میں پیش آنے والی غیر متوقع تاخیر کا ذکر کر چکے ہیں۔ اب ہمیں یقین ہے کہ نقد رقم کی یہ فراہمی نئے مالی سال کی دوسری سہ ماہی سے شروع ہو جائے گی۔

ہم ابھی بھی مزید امکانات کا جائزہ لے رہے ہیں، لیکن مقامی معیشت کے حوالے سے ہمیں مثبت رجحان نظر آ رہا ہے، جو ہمارے اہداف کے حصول میں معاون ثابت ہو گا۔

اس سلسلے میں، آپ کی کمپنی اگلی سہ ماہی رپورٹ میں مزید تفصیلات فراہم کرے گی۔ ہم مشکل وقت میں عزم و استقامت کا مظاہرہ کرنے پر اپنے شیئر ہولڈرز کا شکریہ ادا کرتے ہیں، اور ایک بار پھر جناب مقصود احمد بٹ کا شکریہ ادا کرتے ہیں جنہوں نے انتہائی اہم وقت پر آگے بڑھ کر مدد کی۔

پچھلے سال کے دوران فروخت کی لاگت میں زبردست اضافہ ہوا ہے۔ حکومت کے عام افراط زر کے دباؤ کے ساتھ ساتھ یوٹیلیٹی سبسڈیز کو ختم کرنے کے فیصلے کے ساتھ، اب ایک اضافہ تھا جو بڑی حد تک آپ کی کمپنی نے اٹھایا تھا۔

مزید برآں، کچھ پروسیسنگ آرڈرز کو انجام دینے کے لیے، ہمیں فیبرک کو دوبارہ پروسیس کرنا پڑا، جس پر آپ کی کمپنی کو بہت زیادہ لاگت آئی۔ ان عوامل کا مطلب یہ تھا کہ موجودہ مالی سال کے دوران فروخت کی لاگت میں اچانک اور اچانک تبدیلیوں سے بچا نہیں جاسکتا۔

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES
(Code of Corporate Governance) Regulations, 2019

ARUJ INDUSTRIES LIMITED
YEAR ENDING: 30TH JUNE 2026

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

1. The total number of directors are 7 as per the following:

a. MALE:	04
b. FEMALE:	03

2. The composition of board is as follow:

Category	Names
Independent Director	o Mr. Sheikh Ghulam Mustafa o Miss Ammara Javed
Executive Directors	o Mr. Faisal Khan o Mrs. Durray Zara Butt o Mr. Ali Maqsood Butt
Non-Executive Directors	o Dr. Aruj Butt o Mr. Muhammad Sajjad Hussain o Miss Ammara Javed

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
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. The Board has ensured that complete record of particulars of significant policies along with their dates of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings 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. During the year, no director attended a Directors' Training Program.*
*Explained in SOC 19
10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, in accordance with the applicable requirements of the Regulations.
11. The Chief Financial Officer (CFO) and Chief Executive Officer (CEO) duly endorsed the financial statements before approval by the Board.

12. The Board has formed committees comprising members as follows:

a) Audit Committee

Mr. Sheikh Ghulam Mustafa – Chairman

Mr. Muhammad Sajjad Hussain – Member

Miss Ammara Javed – Member

b) Human Resource and Remuneration Committee

Mr. Muhammad Sajjad Hussain – Member

Dr. Aruj Butt – Member

Miss Ammara Javed – Chairman

13. The terms of reference of the aforesaid committees have been formed, documented and communicated to the respective committees for compliance.

14. The frequency of meetings of the committees during the year was as follows:

a) Audit Committee – **4 meetings**

b) Human Resource and Remuneration Committee – **1 meeting**

15. The Company has established an internal audit function supervised by a suitably qualified and experienced Head of Internal Audit, who is assisted by in-house executives in carrying out the internal audit and internal control functions. The Head of Internal Audit is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

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 Institute of Chartered Accountants of Pakistan and are registered with the Audit Oversight Board of Pakistan; that they and all their partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan; 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, Head of Internal Audit, 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 requirements, and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with **except for the non-compliance with Regulation 6 relating to the minimum number of independent directors, as disclosed in paragraph 2 above.**

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32,33 and 36 are below (if applicable):

Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors as it may deem appropriate in its circumstances.	29(1)	The Board has not constituted a separate Nomination Committee. The functions relating to nomination are being performed by the Human Resource and Remuneration Committee.
Risk Management Committee: The Board may constitute a Risk Management Committee, of such number and class of directors as it may deem appropriate in its circumstances, to carry out a review of the effectiveness of risk management procedures and present a report to the Board.	30(1)	The Board has not constituted a separate Risk Management Committee. Risk management activities are managed at the respective departmental levels under the supervision of the relevant departmental heads and are overseen by the Board.
Role of the Board and its members to address Sustainability Risks and Opportunities: The Board is responsible for governance and oversight of sustainability risks and opportunities within the Company.	10A	During the year, the Board continued to oversee sustainability-related matters as and when required. The Company is in the process of further strengthening its framework for identification, assessment and oversight of sustainability risks and opportunities in accordance with the applicable requirements of the Regulations.

(Mr. Ali Maqsood Butt)
(Chairman)

Lahore

Dated: October 06, 2026

(Mr. Faisal Khan)
(Chief Executive)

Lahore

Dated: October 06, 2026

Independent Auditor's Review Report to the Members Of ARUJ INDUSTRIES LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We were engaged to review the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of ARUJ INDUSTRIES LIMITED (the Company) for the year ended June 30, 2026 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 a 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 with 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, 2026.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the corresponding paragraph references in the Statement of Compliance:

Paragraph Reference	Description
9	Director's Training Program (DTP) has not been attended by the directors.
19	The Company has not constituted a separate Nomination Committee and Risk Management Committee. The Company has disclosed the reasons for non-constitution of these committees in paragraph 19 of its Statement of Compliance
19	The Company has disclosed its position regarding the Board's oversight of sustainability risks and opportunities under Regulation 10 A and has stated that it is in the process of further strengthening its framework in this regard.

Lahore
December October 06, 2026
UDIN: CR202610809fpZwVsknE

QADEER AND COMPANY
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER
SALAHUDDIN MAHMOOD, FCA

INDEPENDENT AUDITOR'S REPORT

To the members of ARUJ INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of **ARUJ INDUSTRIES LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2026 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

As stated in Note 1.02 to the financial statements, the Company has incurred a net loss of Rs. 37.297 million (2025: Rs. 40.416 million) during the year and has accumulated losses of Rs. 453.365 million, resulting in negative equity of Rs. 147.421 million as at June 30, 2026. Further, current liabilities exceed current assets by Rs. 408.969 million.

During the year, the Company did not carry out any manufacturing or significant trading operations. No production, purchases, or significant administrative operations were undertaken. The Company also does not have any concrete plans for resumption of operations or future profitability. These conditions indicate a material uncertainty regarding the Company's ability to continue as a going concern.

In addition, adequate accounting records and relevant supporting information were not maintained or made available for our verification. We further noted that balances of trade debts, trade and other payables, unclaimed dividends, and various advances and receivables remain old outstanding items carried forward from previous years, for which no confirmations, reconciliations, or supporting documentation were provided.

Moreover, the Company has not recorded any provision for doubtful debts against long-outstanding foreign receivables, which appear doubtful of recovery, and the closing stock, being the same as the previous year, has not been assessed or valued at the lower of cost and net realizable value (NRV) as required under IAS 2 *Inventories*.

Because of the non-availability of sufficient appropriate audit evidence, we were unable to verify the accuracy, existence, and valuation of these balances and determine whether any adjustments might have been necessary to the accompanying financial statements.

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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion as to whether,

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of 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) 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 **Salahuddin Mahmood FCA**.

Lahore,
Dated: OCTOBER 06, 2026
UDIN: AR202610809mRPjrnv0A

Qadeer and Company,
Chartered Accountants Lahore

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026	2025
		Rupees	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
12,500,000 ordinary shares of Rs. 10/- each		125,000,000	125,000,000
Issued, subscribed and paid up share capital	4	104,578,900	104,578,900
Capital reserve	5	100,000,000	100,000,000
Revenue reserves - unappropriated loss		(453,364,875)	(416,067,334)
		(248,785,975)	(211,488,434)
Directors' loan - unsecured	6	101,364,748	101,364,748
		(147,421,227)	(110,123,686)
Non-current liabilities			
Long term loan	7	-	-
Lease liabilities	8	-	634,964
Deferred liabilities	9	56,939,104	52,425,449
		56,939,104	53,060,413
Current liabilities			
Trade and other payables	10	288,994,217	285,052,502
Unclaimed dividend	10.02	2,290,218	2,290,218
Accrued mark-up	11	7,926,512	7,926,512
Short term borrowings	12	676,279,769	676,279,769
Current portion of long term loan	7	6,006,540	6,006,540
Current portion of lease liabilities		-	6,033,754
Provision for taxation	13	4,480,871	4,480,871
		985,978,127	988,070,166
Contingencies and commitments	14		
TOTAL EQUITY AND LIABILITIES		895,496,004	931,006,893
ASSETS			
Non-current assets			
Property, plant and equipment	15	316,864,072	351,394,132
Capital work in progress	16	-	-
		316,864,072	351,394,132
Long term deposits	17	1,622,921	1,994,591
		318,486,993	353,388,723
Current assets			
Stores, spares and loose tools	18	8,399,795	8,399,795
Stock in trade	19	79,679,073	79,679,073
Trade debts	20	299,902,506	292,102,431
Loans, advances and other receivables	21	157,441,321	165,891,505
Tax refunds/ rebate due from the Government	22	29,774,538	29,774,538
Cash and bank balances	23	1,811,778	1,770,828
		577,009,011	577,618,170
TOTAL ASSETS		895,496,004	931,006,893

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		Rupees	
Sales - net	24	-	191,800
Cost of sales	25	24,929,461	25,617,058
Gross loss		(24,929,461)	(25,425,258)
Selling and distribution cost	26	-	-
Administrative expenses	27	6,902,712	9,561,997
Operating loss		(31,832,173)	(34,987,255)
Finance cost	28	414,881	1,663,991
Other operating expenses	29	536,832	-
		(32,783,886)	(36,651,246)
Loss before levy and tax		(32,783,886)	(36,651,246)
Levy	30	-	-
Loss before tax		(32,783,886)	(36,651,246)
Taxation	30	4,513,655	3,764,787
Loss for the year		(37,297,541)	(40,416,033)
Loss per share - basic and diluted	31	(3.57)	(3.86)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
	Note	Rupees	
Loss for the year		(37,297,541)	(40,416,033)
Other comprehensive income:			
<i>Items that will not be subsequently reclassified to statement of profit or loss:</i>			
Remeasurement of staff retirement benefit	9.08	-	-
Total comprehensive loss for the year		(37,297,541)	(40,416,033)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Loss before levy and tax		(32,783,886)	(36,651,246)
Adjustment for:			
Depreciation	15	26,645,172	28,735,532
Finance cost	28	414,881	1,663,991
Loss on transfer of lease	29	536,832	
Provision for staff retirement benefits	9.07	-	-
		<u>27,596,885</u>	<u>30,399,523</u>
Operating loss before working capital changes		(5,187,001)	(6,251,723)
<i>(Increase)/ decrease in current assets:</i>			
Stores, spare parts and loose tools		-	-
Stock in trade		-	-
Trade debts		(7,800,075)	26,017,608
Loans, advances and other receivable		8,450,184	(5,314,663)
Sales tax refundable		-	(827,379)
<i>Increase/ (decrease) in current liabilities:</i>			
Trade and other payables		3,893,706	(9,948,800)
		<u>4,543,815</u>	<u>9,926,766</u>
Cash generated from operations		(643,186)	3,675,043
Finance cost paid		(414,881)	(1,663,991)
Gratuity paid		-	-
Income tax paid / deducted - net		-	52,596
Net cash generated from / (used in) operating activities		(1,058,067)	2,063,648
CASH FLOWS FROM INVESTING ACTIVITIES			
Long-term security deposits		371,670	-
Fixed capital expenditure		-	-
Net cash (used in) / generated from investing activities		371,670	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Directors' loan - net		-	4,306,210
Repayment of lease liabilities - net		727,347	(6,348,039)
Repayment of long term loan - net		-	-
Short term borrowings		-	(99,573)
Net cash (used in) / generated from financing activities *		727,347	(2,141,402)
Net decrease in cash and cash equivalents		40,950	(77,754)
Cash and cash equivalents at the beginning of the year		1,770,828	1,848,582
Cash and cash equivalents at the end of the year	23	1,811,778	1,770,828

* There are no non-cash items included in these activities.

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

	Issued, subscribed and paid up share capital	Capital reserves	Revenue reserves - unappropriated loss	Sub Total Share capital and reserves	Directors' loan - unsecured	Total Equity
	(RUPEES)					
Balance as at July 01, 2025	104,578,900	100,000,000	(375,651,301)	(171,072,401)	97,058,538	(74,013,863)
Directors' loan - unsecured					4,306,210	4,306,210
Loss for the year	-	-	(40,416,033)	(40,416,033)	-	(40,416,033)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(40,416,033)	(40,416,033)	-	(40,416,033)
Balance as at June 30, 2025	104,578,900	100,000,000	(416,067,334)	(211,488,434)	101,364,748	(110,123,686)
Directors' loan - unsecured					-	-
Loss for the year	-	-	(37,297,541)	(37,297,541)	-	(37,297,541)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(37,297,541)	(37,297,541)	-	(37,297,541)
Balance as at June 30, 2026	104,578,900	100,000,000	(453,364,875)	(248,785,975)	101,364,748	(147,421,227)

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1 THE COMPANY AND ITS OPERATIONS

- 1.01** 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 and 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 geographical location and address of the Company's business units, including mills/plant is as under:

Geographical location

2-KM, Off Raiwind Manga Road, Raiwind, Lahore.

1-KM, Raiwind Road, Thokar Niaz Baig, Lahore.

Business Units

Head office and Plant

Branch Office and shop

- 1.02** The Company has accumulated losses amounting to Rs. 453.365 million (2025: Rs. 416.067 million) at the year end and net loss during the year comprises of Rs. 37.297 million (2025: Rs. 40.416 million). Also current liabilities of company exceeded its current assets by Rs. 408.969 million (2025: Rs. 410.451 million). These conditions indicate existence of a material uncertainty that may cast significant doubt about the Company's ability to realize its assets in normal course of business and to continue as a going concern. Continuation of the company is dependent on its ability to attain satisfactory levels of profitability and availability of adequate working capital through continued support from:

During the year, the Company did not carry out any manufacturing or significant trading operations. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Accordingly, the Company's ability to continue as a going concern is dependent upon the availability of continued financial support from sponsors and lenders and the improvement of its future operational results.

2 BASIS OF PREPARATION

2.01 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 Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017.

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

2.02 Standards, amendments and Interpretations adopted during the year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting period beginning on or after July 1, 2024, but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these financial statements.

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

Standards, amendments or interpretations		Effective date (accounting period beginning on or after)
LAS 7	Statement of Cash Flow (Amendments)	January 1, 2026
IFRS 10	Consolidated Financial Statements (Amendments)	January 1, 2026
LAS 21	The Effect's of charges in Foreign Exchange Rates (Amendments)	January 1, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2027
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026
LAS 28	Investments in Associates and Joint Ventures (Amendments)	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2026;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 20	Regulatory Assets and Regulatory Liabilities.

2.04 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity) that is determined based on the present value of defined benefit obligation less fair value of plan assets, freehold land that is stated at fair values determined by an independent valuer. These financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.05 Significant accounting judgments, estimates and assumptions

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

The estimates and related 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 the estimates.

The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected. Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, allowances for expected credit losses, slow moving inventory and taxation. However, the management believes that the change in outcome of estimates would not have any material effect on the amounts disclosed in the financial statements.

Judgment made by management in the application of accounting and reporting standards as applicable in Pakistan that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent year are as follows:

2.05.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

2.05.2 Recoverable amount of assets / cash generating units

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

2.05.3 Fair value of financial instruments having no active market

Fair value of financial instruments having no active market is determined using discounted cash flow analysis after incorporating all factors that market participants would consider in setting a price and using inputs that reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

2.05.4 Taxation

The Company takes into account income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by tax department at the assessment stage and where the Company considers that its view of items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

2.05.5 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.05.6 Contingencies

The Company discloses its contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisor for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

2.06 Functional and presentation currency

Items included in the financial statements are prepared using the currency of the primary economic environment in which the company operates i.e. Pakistan Rupees which is the Company's functional and presentation currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied 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.

3.01 Ordinary share capital

Ordinary share capital is recognized as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as deduction from equity net of any tax effects.

3.02 Employee benefits - Defined benefit plan

The Company was operating an unfunded gratuity scheme covering its permanent employees. Employees were eligible for benefits under this scheme after completion of a prescribed qualifying period of service. During the current year, the Company has not operated and all employees have been released. Consequently, the defined benefit plan has effectively been settled and no further provision is required under IAS 19. No actuarial valuation has been carried out during the year in view of the discontinuation of operations and settlement of the plan.

3.03 Borrowings

These are recognized initially at fair value less attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings on an effective interest basis.

3.04 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, 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 periodically and adjusted to reflect the current best estimates.

3.05 Taxation

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 assessment made / finalized during the year.

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets, are recognized to the extent of potential available taxable profit against which temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of the deferred tax asset is reviewed at each date of statement of financial position and is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

3.06 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortized cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.07 Trade debts and other receivables

Trade debts are carried at original invoice amount, which approximates fair value and subsequently measured at amortized cost, less an allowance made for expected credit losses (ECL) based on review of outstanding amounts at the year end. Allowance for ECL is created when there is an objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivable. The ECL is recognized in the statement of profit or loss. When trade debt is uncollectable, it is written off against ECL. Subsequent recoveries of amounts previously written off are credited to statement of profit or loss.

3.08 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any), except freehold land that is stated at revalued amount less impairment loss (if any). Cost of property, plant and equipment consists of historical cost and other directly attributable costs incurred to bring the assets to their working condition.

Depreciation on property, plant and equipment has been provided by using the reducing balance method at the rates specified in note 15. The Company charges the depreciation on additions from the date when the asset is available for use and to the preceding day when the asset is de-recognized.

Maintenance and normal repairs are charged to the statement of profit or loss as expense when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in the statement of profit or loss.

3.09 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the expenditures on material, labor and appropriate overheads directly relating to the construction, erection or installation of an item of property, plant and equipment. These costs are transferred to property, plant and equipment as and when related items become available for intended use.

3.10 Impairment

Carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment loss is recognized in the statement of profit or loss.

3.11 Right of use assets and related liabilities

Leases are recognized as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Right of use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right of use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right of use asset is reduced by impairment losses, if any. At transition, the Company recognized right of use assets equal to the present value of lease payments.

3.12 Stores, spares and loose tools

Usable stores and spares are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus incidental charges paid thereon.

Provision for obsolete and slow moving stores and spares is based on management's estimate.

3.13 Stock in trade

These are valued at lower of cost or net realizable value except waste which is valued at net realizable value determined at average selling price.

Cost is determined as follows:

Raw materials	At weighted average cost
Work in process	At annual average material cost plus appropriate manufacturing costs
Finished goods	At average manufacturing cost
Trading goods	At weighted average cost
Wastes	At net realizable value

Net realizable value signifies the estimated selling price at which goods in stock could be currently sold less any further costs that would be incurred to complete the sale.

Costs in relation to work in process and finished goods represent annual average costs which consist of prime costs and appropriate manufacturing overheads.

Items in transit are stated at cost comprising invoice value and other incidental charges paid thereon.

3.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents comprise cash in hand and cash at banks in current and saving accounts.

3.15 Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through statement of profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through statement of profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs. Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. 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.

Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method. A financial liability is derecognized when the obligation under the liability is discharged, 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 and 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 statement of profit or loss.

Off-setting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Foreign currency translation and transactions

Assets and liabilities in foreign currency are stated in Pak Rupees at the rates of exchange ruling on the balance sheet date or rate of exchange fixed under contractual agreements. Transactions in foreign currency are translated into Pak Rupees (functional and presentation) at the exchange rate prevailing on the date of transaction. All exchange differences are included in the statement of profit or loss.

3.17 Related party transactions / Transfer pricing

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

3.18 Revenue recognition

Revenue from local sale of goods be recognized at the point in time when control of goods is transferred to the customer, which is when the goods are dispatched to the customer and invoices are generated.

- Revenue is recognized at transaction price (which excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable excluding discount, rebates and government levies and the payment is typically due on the satisfaction of performance obligation.

- Export sales are recorded at the time of receipt of bill of lading.
- Export rebate and duty drawbacks are accrued on the basis of actual export proceeds realized.
- Scrap sales are recognized on delivery to customers at realized amounts.

3.19 Borrowing costs

Borrowing costs relating to the acquisition, construction or production of a qualifying asset are recognized as part of the cost of that asset. All other borrowing costs are recognized as an expense in the period in which these are incurred.

3.20 Dividends

Dividend is recognized as a liability in the period in which it is declared.

3.21 Earning per share (EPS)

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

	Note	2026	2025
		Rupees	
4 ISSUED, SUBSCRIBED AND PAID-UP SHAREE CAPITAL			
7,058,190(2024:7,058,190)ordinarysharesofRs.10/- each fully paid in cash		70,581,900	70,581,900
3,399,700(2024:3,399,700)ordinarysharesofRs.10/- each issued for consideration other than cash	4.01	33,997,000	33,997,000
		<u>104,578,900</u>	<u>104,578,900</u>
4.01	These include shares issued against acquisition of assets.		
4.02	The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.		
5 CAPITAL RESERVE			
These reserves represents the amount set aside from unappropriated profits and utilized for the purpose of capital expenditures in factory building and plant & machinery.			
6 DIRECTORS' LOAN - UNSECURED			
Loan from directors - unsecured	6.01 & 6.02	101,364,748	101,364,748
6.01	These loans are accounted for under Technical Release - 32 "Accounting Director's Loan" issued by the Institute of Chartered Accountants of Pakistan.		
6.02	These loans have been provided by the chief executive and other directors of the Company for the repayment of long term loans, capital expenditure or otherwise as the Board deems fit. The loans are interest free and there is no fixed tenure for the repayment of the loans, the lenders shall not demand repayment and the same is entirely at the discretion of Company. Accordingly, the loan is treated as equity in accordance with the Technical Release -32 ("Accounting Director's Loan") issued by the Institute of Chartered Accountants of Pakistan and not measured at amortized cost as per requirements of the applicable financial reporting standards.		
7 LONG TERM LOAN			
<i>Loan from banking companies - secured</i>			
Bank Alfalah Limited	7.01 & 7.02	6,006,540	6,006,540
Less: Current portion of long term loan		(6,006,540)	(6,006,540)
		<u>-</u>	<u>-</u>
7.01 Bank Alfalah Limited			
Opening balance		6,006,540	6,006,540
Add: Loan received during the year		-	-
Less: Loan repaid during the year		-	-
		<u>6,006,540</u>	<u>6,006,540</u>
7.02	This represent TF-Refinance facility having limit of Rs. 48.052 million. The loan is repayable in eight quarterly instalments with one quarter grace period starting from 1st October 2020. It carries mark-up at the rate of SBP rate + 3% p.a. The base rate will be 3 month KIBOR at the disbursement date. The facility expired on October 01, 2022, however, the outstanding balance has not yet been settled by the Company. These facilities are secured as follows:		
-	1st Paripassu charge of Rs.474 Million on all present and future current assets of the Company.		
-	1st PariPassu charge of Rs.300 Million over present and future fixed assets of the Company.		
-	Equitable mortgage along with TRM of Rs. 0.100 Million over a property owned by the Chairman of the Company having a market value of Rs. 147.119 million valued by Materials & Designs services pvt. Limited on 27-12-2019 and Personal Guarantees of all sponsor directors of the Company.		

	Note	2026	2025
		Rupees	
8 LEASE LIABILITIES			
Opening lease liabilities		6,668,718	16,550,762
Interest during the year		414,800	
Repayment during the year		(7,083,518)	(9,882,044)
Closing lease liabilities		-	6,668,718
Current portion		-	6,033,754
Non-current portion		-	634,964

- 8.1 This represents vehicles acquired under lease arrangements. The leases are secured by insurance in lessor's favor and post dated cheques in favor of lessor for entire principal along with markup amount. Rentals are payable monthly. The leases are priced at six month KIBOR plus 2.75% to 3% per annum (2025: six month KIBOR plus 2.75% to 3% per annum). Under the terms of agreement, taxes, repairs, replacements and insurance costs in respect of assets subject to lease are borne by the Company. The Company also has the option to acquire these assets at the end of the respective lease terms and intends to exercise the option.

9 DEFERRED LIABILITIES

Deferred tax - net	9.01	39,569,009	35,055,354
Employees retirement benefits	9.04	17,370,095	17,370,095
		56,939,104	52,425,449

9.01 Deferred tax-net

Taxable temporary differences / (deductible temporary differences) arising in respect of:

Accelerated depreciation	49,087,208	50,897,483
Employees retirement benefits	(5,037,328)	(5,037,328)
Finance lease and others	-	2,777,432
Minimum Tax	(4,480,871)	(13,582,233)
	39,569,009	35,055,354

9.02 The movement In temporary differences are as follows :

(RUPEES)

	Balance as at July 01, 2024	Recognized in profit or loss	Balance as at June 30, 2025	Recognized in profit or loss	Balance as at June 30, 2026
Deferred tax debits:					
Employees retirement benefits	(5,037,328)	-	(5,037,328)	-	(5,037,328)
Minimum tax	(18,317,101)	4,734,868	(13,582,233)	9,101,362	(4,480,871)
	(23,354,429)	4,734,868	(18,619,561)	9,101,362	(9,518,199)
Deferred tax credits:					
Accelerated depreciation	52,805,339	(1,907,856)	50,897,483	(1,810,275)	49,087,208
Finance lease and others	1,842,054	935,378	2,777,432	(2,777,432)	-
	31,292,964	3,762,390	35,055,354	4,513,655	49,087,208

9.03 Deferred tax on carry forward of tax losses has not been recognized due to uncertainty of adjustments in foreseeable future.

9.04 The Company did not carry out any operations during the year and all employees have been released. Consequently, the defined benefit plan has effectively been settled. Accordingly, no further provision is required under IAS 19 in respect of employees' retirement benefits. The outstanding balance as at the reporting date represents amounts payable to the employees, which are expected to be settled in the subsequent period. In view of the discontinuation of operations and settlement of the plan, no actuarial valuation has been carried out during the current year.

	Note	2026	2025
		Rupees	
10 TRADE AND OTHER PAYABLES			
Creditors		207,591,262	205,617,262
Advances from customers - unsecured:			
Local		21,848,303	21,848,303
Foreign		7,330,421	7,330,421
Accrued liabilities		5,279,127	4,162,282
Workers' welfare fund		4,524,546	4,524,546
Workers' profit participation fund	10.01	-	-
Withholding tax payable		11,371,254	11,323,244
Employees retirement benefits - current portion		17,675,769	17,675,769
Other payables	10.03	13,373,535	12,570,675
		<u>288,994,217</u>	<u>285,052,502</u>
10.01 Workers' profit participation fund			
Opening balance		-	-
Allocation for the year		-	-
		-	-
Less: Paid during the year		-	-
		-	-
10.02	The Company has not complied with the section 244 of Companies Act, 2017 regarding unclaimed dividend amounting to Rs. 2.290 million.		
10.03 Other payables			
E.O.B.I contribution payable		4,902,028	4,899,168
Directors' remuneration payable		-	-
Sales tax output Un-regt.		31,628	31,628
Provident fund payable		2,486,429	2,486,429
Social security payable		3,733,450	3,733,450
Auditors' remuneration		2,220,000	1,420,000
		<u>13,373,535</u>	<u>12,570,675</u>
11 ACCRUED MARK-UP			
Long term loan		354,941	354,941
Short term borrowings		7,571,571	7,571,571
		<u>7,926,512</u>	<u>7,926,512</u>

12 SHORT TERM BORROWINGS*From banking companies - secured:*

Habib Bank Limited	12.01	94,242,833	94,242,833
The Bank of Punjab	12.02	147,653,000	147,653,000
Bank Alfalah Limited	12.03	350,875,381	350,875,381
Meezan Bank Limited	12.04	76,200,977	76,200,977

Banking Overdrafts:

Bank Alfalah Limited	12.05	7,307,578	7,307,578
JS Bank Limited	12.05	-	-
Bank Al-Habib Limited	12.05	-	-
		<u>676,279,769</u>	<u>676,279,769</u>

- 12.01** This represent facility of Finance against packing credit facility (including its sublimit of ERF Part II, Running Finance Facility, FBP facility, FAFB and Letter of Guarantee) having total limit of Rs. 100 million. It carries mark-up at the rate of 3 months KIBOR + 2.5% p.a to 3 months KIBOR + 2.5% p.a and SBP rate + 1% p.a. The facility expired on April 30, 2022, however, the outstanding balance has not yet been settled by the Company and remains payable as at the reporting date.

The Facility from HBL is secured against 1st pari passu charge over all present and future current assets of PKR 133.333 million, registered with SECP. Lien over Proceeds of export bills sent under LC / collection. 1st pari passu charge over all present and future fixed assets of PKR 100 million registered with SECP and personal Guarantees of all Directors.

- 12.02** This represents export refinance facility having limit of Rs. 100 million and carries markup at the rate of SBP + 1%; and FAFB facility having limit of Rs. 50 million having markup at the rate of matching KIBOR + 2.5% p.a. The facility expired on June 30, 2022, however, the outstanding balance has not yet been settled by the Company and remains payable as at the reporting date.

Securities for facilities from The Bank of Punjab are as follows:

- 1st Pari Passu charge of Rs. 134.000 million and Rs. 67.000 million over present and future current assets of the company with 25% margin.
- 1st Pari Passu charge of Rs.100.000 million over present and future fixed assets of the Company.
- Personal Guarantees of Mr. Maqsood Butt, Mr. Ali Maqsood Butt and Mr. Faisal Khan (Directors of the Company) along with their personal net worth statements.
- Token legal mortgage of Rs. 0.1 million along with equitable mortgage over residential property measuring 2 Kanals 14 Marlas owned by director of the Company.

- 12.03** This represent facilities of CF-Hypo, FAPC Own Source, FBP Disc., SLC and LG having limits of Rs. 60.000 million, Rs. 125.000 million, Rs. 35.000 million, Rs. 142.500 million and Rs. 22.500 million respectively. It carries mark-up at the rate of 1 months KIBOR + 2.5% and SBP rate + 1% p.a. The facility expired on November 31, 2022, however, the outstanding balance has not yet been settled by the Company and remains payable as at the reporting date. These facilities are secured as follows:

- 1st Pari passu charge of Rs. 474 million on all present and future current assets of the Company (Shared with HBL : Rs. 133.333 million & BOP: Rs. 201.000 million) to be registered with SECP.
- 1st Pari passu charge of Rs. 300.000 million over present and future fixed assets of the Company (Shared with HBL: 100.000 million & BOP:Rs. 100.000 million) to be registered with SECP.
- Equitable mortgage with TRM over a property owned by the the Company having a market value of Rs. 575.117 million.
- Equitable mortgage over a property owned by the Chairman of the Company having a market value of Rs. 147.119 million.
- Lien on the import and local documents. and
- Personal Guarantees of all sponsor directors of the Company.

- 12.04** This represents Musawamah (Local/Import) facility having limits of Rs. 78.000 million, for purchase of raw material and retirement of Sight LC's. It carries mark-up at rate of 3 month KIBOR + 2.5% p.a. The facility expired on July 31, 2023, however, the outstanding balance has not yet been settled by the Company and remains payable as at the reporting date.

These facilities are secured as follows:

- Ranking charge over all present and future current assets of the customer with 25% margin.
- Token registered Mortgaged of Rs. 0.100 Million and rest of EM over Commercial property owned by Mrs. Naseem maqsood (Director).
- Personal Guarantees of all sponsoring directors of the Company.

- 12.05** These represent overdrafts in current accounts of the Company due to unrepresented cheques outstanding at the reporting date.

	Note	2026	2025
		Rupees	
13 PROVISION FOR TAXATION			
Opening balance		4,480,871	4,478,474
Levy		-	-
Provision for current tax for the year		-	2,398
		-	2,398
Payments / adjustments against advance tax		-	-
		4,480,871	4,480,871

Income tax return up to and including tax year 2025 has been filed to the tax authorities under the provision of Income Tax Ordinance, 2001.

14 CONTINGENCIES AND COMMITMENTS

Contingencies

There are no contingencies and commitment as at reporting date (2025: Guarantee amounted to Rs 20.306 million in favour of SNGPL)

- 14.01** On behalf of the Company, Bank Alfalah Limited has issued guarantee amounted to Rs. 20.306 million (2025: Rs. 20.306 million) in favor of SNGPL.

- 14.02** The Company has challenged the recovery of Gas Infrastructure Development Cess and filed petition challenging the demand of GIDC in the High Court of Sindh at Karachi. The High Court of Sindh granted stay against charging of GIDC. Since, the issue is being faced by the industry at large, therefore management is of the view that there is no need to maintain any provision against the liability. The management is confident that the final decision of the case shall be in its favor.

Furthermore, it is difficult to determine the exact monetary estimate as the applicability of the Gas Infrastructure Development Cess is in litigation. However the amount may approximate Rs. 17.970 million.

Commitments

There are no contingencies and commitment as at reporting date (2025: Guarantee amounted to Rs 20.306 million in favour of SNGPL)

- 14.03** There are no known material commitments as at reporting date (2025: nil)

15 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST			Rate %	DEPRECIATION				Written down value as at June 30, 2026
	As at July 01, 2025	Addition / Transfer	(Deletion)		As at July 01, 2025	Adjustment	For the year	As at June 30, 2026	
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees
OWNED ASSETS:									
Freehold land	7,544,681	-	-	-	-	-	-	-	7,544,681
Building on freehold land	302,029,672	-	-	5	99,689,761	-	10,116,996	109,806,757	192,222,915
-Transferred from CWIP	-	-	-		-	-	-	-	-
Plant & Machinery	404,155,402	-	-	10	291,719,252	-	11,243,615	302,962,867	101,192,535
-Transferred from CWIP	-	-	-		-	-	-	-	-
furniture & fixture	1,765,664	-	-	10	1,257,151	-	50,851	1,308,002	457,662
Motor Vehicles	58,757,306	10,785,120	-	20	51,231,146	5,673,154	1,505,232	58,409,532	11,132,894
Office Equipment	6,593,582	-	-	10	3,448,884	-	314,470	3,763,354	2,830,228
Loose Tools	145,757	-	-	10	125,474	-	2,028	127,502	18,255
Laboratory Equipment	366,921	-	-	10	336,661	-	3,026	339,687	27,234
Electric Installation	4,282,897	-	-	10	2,933,197	-	134,970	3,068,167	1,214,730
Fire Fighting Equipment	556,587	-	-	10	489,437	-	6,715	496,152	60,435
Telephone Installation	113,775	-	-	10	108,692	-	508	109,200	4,575
Gas Installation	1,310,000	-	-	10	1,134,525	-	17,548	1,152,072	157,928
Subtotal	787,622,244	10,785,120	-		452,474,180	5,673,154	23,395,959	481,543,293	316,864,072
RIGHT-OF-USE ASSETS:									
Motor Vehicles	30,126,120	(10,785,120)	(19,341,000)	20	13,880,052	(17,129,265)	3,249,214	-	-
Subtotal	30,126,120	(10,785,120)	(19,341,000)		13,880,052	(17,129,265)	3,249,214	-	-
TOTAL 2026	817,748,364	-	(19,341,000)		466,354,232	(11,456,111)	26,645,172	481,543,293	316,864,072
TOTAL 2025	823,694,364	-	(5,946,000)		440,030,695	(2,411,995)	28,735,532	466,354,232	351,394,132

15.1 Depreciation is allocated as under:

	2026	2025
Cost of Sales	23,079,461	23,381,982
Administrative Expenses	3,565,712	5,353,550
	<u>26,645,172</u>	<u>28,735,532</u>

	Note	2026	2025
		Rupees	
16 CAPITAL WORK IN PROGRESS			
Building on freehold land:			
As at 01st July		-	-
Transferred to property plant & equipment		-	-
As at 30th June		-	-
17 LONG TERM DEPOSITS			
Considered good			
Sui northern gas pipeline ltd.- non interest bearing		1,351,071	1,351,071
Others - non interest bearing		271,850	643,520
		<u>1,622,921</u>	<u>1,994,591</u>
18 STORES, SPARES AND LOOSE TOOLS			
Stores, spares and loose tools		<u>8,399,795</u>	<u>8,399,795</u>
18.01 No identifiable store and spare are held for specific capitalization.			
19 STOCK IN TRADE			
Finished goods		19,748,888	19,748,888
Raw materials:			
- Fabric and accessories		-	-
- Chemicals		59,930,185	59,930,185
- Packing material		-	-
		<u>79,679,073</u>	<u>79,679,073</u>
19.01 No stock in trade has been pledged by any institution / party.			
20 TRADE DEBTS			
Considered good:			
Export - secured		44,970,690	44,970,690
Local - un-secured		254,931,816	247,131,741
		<u>299,902,506</u>	<u>292,102,431</u>
21 LOANS, ADVANCES AND OTHER RECEIVABLES			
Loans and advances - considered good	21.1	157,441,321	163,691,505
Rebate and DLTl receivable		-	2,200,000
		<u>157,441,321</u>	<u>165,891,505</u>
21.1 LOANS AND ADVANCES - CONSIDERED GOOD			
Unsecured:			
To suppliers for goods and services		147,581,321	153,771,505
To employees - Interest free		9,860,000	9,860,000
For local guarantee		-	60,000
		<u>157,441,321</u>	<u>163,691,505</u>
22 TAX REFUNDS/ REBATE DUE FROM THE GOVERNMENT			
Advance income tax		11,066,477	11,066,477
Sales tax refundable		18,708,061	18,708,061
		<u>29,774,538</u>	<u>29,774,538</u>
23 CASH AND BANK BALANCES			
Cash in hand		67,904	72,651
Cash at banks - <i>current accounts</i>		<u>1,743,874</u>	1,698,177
		<u>1,811,778</u>	<u>1,770,828</u>

	Note	2026	2025
24 SALES - NET		Rupees	
Sales:			
- Local		-	191,800
- Export		-	-
Local: Processing and coating		-	-
Rebate and DLT on export		-	-
		<u>-</u>	<u>191,800</u>
25 COST OF SALES			
Fabric and accessories consumed	25	-	-
Chemicals consumed	25	-	-
Packing material consumed	25	-	-
Stores and spares consumed	25	-	-
Salaries and other benefits		-	-
Fuel and power		-	2,235,076
Postage, telephone and telegram		-	-
Printing and stationary		-	-
Laboratory expenses		-	-
Insurance		-	-
Import expenses		-	-
Freight and octroi		-	-
Repair and maintenance - machinery/building		1,850,000	-
Processing Charges (CMT)		-	-
Depreciation	15.1	23,079,461	23,381,982
		<u>24,929,461</u>	<u>25,617,058</u>
Finished goods:			
Opening stock		19,748,888	19,748,888
Closing stock		(19,748,888)	(19,748,888)
		<u>-</u>	<u>-</u>
		<u>24,929,461</u>	<u>25,617,058</u>
25.01 Fabric and accessories consumed			
Opening stock		-	-
Add: Purchases		-	-
		<u>-</u>	<u>-</u>
Less: Closing stock		-	-
		<u>-</u>	<u>-</u>
25.02 Chemicals consumed			
Opening stock		59,930,185	59,930,185
Add: Purchases		-	-
		<u>59,930,185</u>	<u>59,930,185</u>
Less: Closing stock		(59,930,185)	(59,930,185)
		<u>-</u>	<u>-</u>
25.03 Packing material consumed			
Opening stock		-	-
Add: Purchases		-	-
		<u>-</u>	<u>-</u>
Less: Closing stock		-	-
		<u>-</u>	<u>-</u>

	Note	2026	2025
		Rupees	
25.04 Stores and spares consumed			
Opening stock		8,399,795	8,399,795
Add: Purchases		-	-
		8,399,795	8,399,795
Less: Closing stock		(8,399,795)	(8,399,795)
		-	-
26 SELLING AND DISTRIBUTION COST			
Export expenses		-	-
27 ADMINISTRATIVE EXPENSES			
Director's remuneration			-
Salaries and other benefits	27	2,187,000	2,502,000
Postage and telegram		-	-
Printing and stationary		-	-
Vehicle running and maintenance		-	-
Fee and subscription		350,000	-
Entertainment		-	-
Auditor's remuneration	27	800,000	800,000
Sales tax refundable irrecoverable		-	-
Legal and professional		-	906,447
Depreciation	15.1	3,565,712	5,353,550
		6,902,712	9,561,997
27.01	Salaries and other benefits include staff retirement benefits amounting to Nil (2024: Rs. 1.993 million).		
27.02 AUDITOR'S REMUNERATION			
Audit fee		700,000	700,000
Half yearly review		50,000	50,000
Other certification charges		50,000	50,000
Out of pocket expenses		-	-
		800,000	800,000
28 FINANCE COST			
Interest / mark-up on:			
Short-term borrowings		-	-
Long term loan		-	-
Finance lease		414,800	1,641,232
Bank charges		81	22,759
		414,881	1,663,991
29 OTHER EXPENSES			
Loss on transfer of lease		536,832	-
30 LEVY AND TAXATION			
Levy		-	-
Current tax - for the year		-	2,398
- prior years		-	-
Deferred tax - net		4,513,655	3,762,390
		4,513,655	3,764,787

30.01 Income tax return has been filed to income tax authorities up to and including tax year 2025 under the provisions of the Income tax Ordinance, 2001.

30.02 Numerical reconciliation between the average effective tax rate and the applicable tax rate is not given due to application of minimum tax @ 1.25% (2025: 1.25%) on local sales for the calculation of provision of tax for the year and application of tax credits.

	Note	2026	2025
		Rupees	
31 LOSS PER SHARE - Basic and diluted			
Loss after taxation for the year	Rupees	(37,297,541)	(40,416,033)
Outstanding weighted average ordinary shares	No. of shares	10,457,890	10,457,890
Loss per share - Basic and diluted	Rupees	(3.57)	(3.86)
There is no dilutive effect on the basic earnings per share of the Company .			
32 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial assets as per statement of financial position - at amortized cost			
Long term deposits		1,622,921	1,994,591
Trade debts		299,902,506	292,102,431
Loans and advances		9,860,000	9,920,000
Cash and bank balances		1,811,778	1,770,828
		313,197,205	305,787,850
Financial liabilities as per statement of financial position			
- At cost			
Directors' loan - unsecured		101,364,748	101,364,748
- At amortized cost			
Long term loan		6,006,540	6,006,540
Unclaimed dividend		2,290,218	2,290,218
Trade and other payables		284,469,671	280,527,956
Accrued interest / mark-up		7,926,512	7,926,512
Short term finance		676,279,769	676,279,769
		976,972,710	973,030,995

33 FINANCIAL INSTRUMENTS

33.01 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

(a) **Market risk**

(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. The Company imports some items of garment accessories and chemicals such as HDP and also exports goods that are exposed to currency risk, primarily with respect to liabilities and foreign currency debts denominated in US Dollars. In current year under report, the Company has imported some raw material denominated in Dollars. The Company's exposure to foreign currency risk in US Dollars is as follows:

	2026	2025
	Rupees	
Foreign trade debts	44,970,690	44,970,690
Foreign payables	-	-
Net exposure	44,970,690	44,970,690

The following significant exchange rates have been applied at the reporting dates:

USD to PKR	276.23	282.02
------------	--------	--------

The Company manages its currency risk by close monitoring of currency markets. However, the Company does not hedge its currency risk exposure.

At June 30, 2026, if the Rupee had weakened / strengthen by 1% against the US dollar with all other variables held constant, pre-tax profit for the year would have been Rs. 449,707/- (2025: Rs. 449,707/-) lower / higher, mainly as a result of foreign exchange losses / gains on translation of US dollar-denominated financial assets and liabilities.

(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. As the Company has no significant interest-bearing assets, the Company's income and operating cash inflows are substantially independent of changes in market interest rates.

At the reporting date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:

Financial liabilities - variable rate instruments:

Finance lease	-	6,668,718
Long term loan	6,006,540	6,006,540
Short term borrowings	682,286,309	688,955,027
	682,286,309	688,955,027
Financial assets	-	-
	682,286,309	688,955,027

Fair value sensitivity analysis for fixed rate instruments:

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

A change of 1% in interest rates at the reporting date would have decreased / (increased) profit for the year by the amount shown below. This analysis assumes that all other variables, in particular foreign currency rates, remains constants.

	Profit and Loss 1% rate	
	Increase	decrease
As at June 30, 2026		
Cash flow sensitivity - variable rate financial liabilities	6,822,863	(6,822,863)
As at June 30, 2025		
Cash flow sensitivity - variable rate financial liabilities	6,822,863	(6,822,863)

(iii) Other price risk

Other 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 currency risk or interest rate 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. The Company is not exposed to equity securities price risk as its investment is not in any securities.

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation. Credit risk arises from deposits with banks, trade debts, loans and advances, deposits and other receivables. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities, where applicable. The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

	2026	2025
	Rupees	
Local debts	254,931,816	247,131,741
Foreign debts	44,970,690	44,970,690
	299,902,506	292,102,431

The majority of foreign debtors of the company are situated in Europe.

The aging of loans and receivables at the reporting date was:

Past due upto 12 months	67,798	66,034
More than one year	299,834,708	292,036,397
	299,902,506	292,102,431

For trade debts, management determines the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are fixed by the management based on internal or external ratings. The utilisation of credit limits is regularly monitored. Accordingly the credit risk is minimal and the Company also believes that it is not exposed to major concentration of credit risk. The carrying values of financial assets which are neither past due nor impaired are as under:

	2026	2025
	Rupees	
Long term deposits	1,622,921	1,994,591
Trade debts	299,902,506	292,102,431
Loans and advances	9,860,000	9,920,000
Cash and bank balances	1,811,778	1,770,828
	313,197,205	305,787,850

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history, however, no losses. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Banks	Rating Agency	Rating	
		Long term	Short term
Bank Al-Habib Limited	PACRA	AAA	A-1+
The Bank of Punjab	PACRA	AA+	A-1+
Meezan Bank	JCR-VIS	AAA	A-1+
Habib Bank Limited	JCR-VIS	AAA	A-1+
JS Bank Limited	PACRA	AA	A-1+
Bank Al-Falah Limited	PACRA	AAA	A-1+
Faysal Bank Limited	PACRA	AA	A-1+
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A-1+

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to growing nature of the business the Company maintains flexibility in funding by maintaining committed credit lines available.

FINANCIAL LIABILITIES	Interest / mark up bearing		Non interest bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	
RUPEES						
June 30, 2026:						
Directors' loan - unsecured	-	-	-	-	101,364,748	101,364,748
Long term loan	6,006,540	-	6,006,540	-	-	6,006,540
Trade and other payables	-	-	-	284,469,671	-	284,469,671
Accrued mark up	-	-	-	7,926,512	-	7,926,512
Unclaimed dividend	-	-	-	2,290,218	-	2,290,218
Short-term finance	676,279,769	-	676,279,769	-	-	676,279,769
	682,286,309	-	682,286,309	294,686,401	101,364,748	1,078,337,458
FINANCIAL LIABILITIES	Interest / mark up bearing		Non interest bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	
RUPEES						
June 30, 2025:						
Directors' loan - unsecured	-	-	-	-	101,364,748	101,364,748
Long term loan	6,006,540	-	6,006,540	-	-	6,006,540
Trade and other payables	-	-	-	280,527,956	-	280,527,956
Accrued mark up	-	-	-	7,926,512	-	7,926,512
Unclaimed dividend	-	-	-	2,290,218	-	2,290,218
Short-term finance	676,279,769	-	676,279,769	-	-	676,279,769
	682,286,309	-	682,286,309	290,744,686	101,364,748	1,074,395,743

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed Capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

During the year, the Company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2026 and 2025 were as follows:

	Note	2026	2025
		Rupees	
Long term financing		6,006,540	6,006,540
Short term finance		676,279,769	676,279,769
Total debt		682,286,309	682,286,309
Total Equity		(147,421,227)	(110,123,686)
Total Capital		534,865,082	572,162,623
Gearing Ratio		127.56%	119.25%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

34 CHIEF EXECUTIVE, DIRECTORS' AND EXECUTIVES' REMUNERATION

	Chief Executive		Directors	
	2026	2025	2026	2025
	RUPEES		RUPEES	
Remuneration	-	-	-	-
Total	-	-	-	-
Number of persons	1	1	1	1

34.01 The Chief Executive and Directors are also provided with free use of the Company maintained cars and residential phones. Further, the Chief Executive and Directors have not drawn any salary or other remuneration from the Company during the year, and no payments have been made to them by the Company in this respect.

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

35 AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company may in the normal course of business carry out transactions with related parties. Amounts due from related parties, transaction with related parties and relationship with related parties are shown under respective notes, if any. Remuneration of Chief Executive Officer, Directors and Executive is disclosed in note 35 and loan from directors is disclosed in note 7 of these financial statements.

	2026	2025
	Rupees	
Name and Nature of related Party		
Dr. Naseem Maqsood Director	-	-
Durray Zara Butt Director	-	4,306,210
Mr. Ali Maqssod Butt Director	-	-
Loans received during the year - net	-	4,306,210

36 PLANT CAPACITY AND ACTUAL PRODUCTION

36.1 Processing capacity

	Meters	
Annual capacity	24,540,000	24,540,000
Actual production	-	-

36.2 Garments capacity

	Pieces	
Annual capacity	1,650,000	1,650,000
Actual production	-	-

36.3 The plant remained non-operational during the year and no production activities were carried out. Hence, installed capacity and actual production figures have not been disclosed.

37 ENTITY-WIDE INFORMATION

The Company constitutes of a single reportable segment, the principal classes of products are Fusible Interlining, Dying / Bleaching / Processing, Stitching of Fabric and other related products.

Information about geographical areas

The Company does not hold non-current assets in any foreign country.

Information about major customers

The Company have transactions with one (2025: one) external customers each of which amounts to almost 10 percent of its revenues.

38 NUMBER OF EMPLOYEES

Average during the year

As at June 30

2026 **2025**

No of employees

3 **3**

3 **3**

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the board of directors in their meeting held on October 06, 2026.

40 GENERAL

- Figure have been rounded off to the nearest Pakistani rupee.
- Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification / rearrangements have been made in these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

FORM 20

**THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING**

1.1 Name of the Company **ARUJ INDUSTRIES LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2026

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
179	1	100	6,374
417	101	500	187,447
93	501	1,000	85,632
125	1,001	5,000	326,906
41	5,001	10,000	336,480
17	10,001	15,000	213,971
10	15,001	20,000	183,486
10	20,001	25,000	227,206
4	25,001	30,000	116,090
4	35,001	40,000	146,951
3	45,001	50,000	147,000
2	50,001	55,000	104,500
2	55,001	60,000	120,000
1	70,001	75,000	75,000
2	90,001	95,000	185,649
2	95,001	100,000	200,000
1	135,001	140,000	140,000
1	215,001	220,000	218,414
1	240,001	245,000	244,208
1	260,001	265,000	264,013
1	415,001	420,000	419,994
1	505,001	510,000	509,871
2	895,001	900,000	1,799,650
1	1,885,001	1,890,000	1,889,527
1	2,305,001	2,310,000	2,309,521
922			10,457,890

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	6,928,563	66.2520%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	38	0.0004%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	4,199,048	40.1520%
2.3.8 General Public		
a. Local	3,462,374	33.1078%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	60,501	0.5785%
- Pension Funds	6,197	0.0593%
- Others	217	0.0021%

ARUJ INDUSTRIES LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MRS. DURRAY ZARA BUTT	1,889,527	18.0680%
2	MR. ALI MAQSOOD BUTT	509,871	4.8755%
3	MRS.DR. ARUJ BUTT	2,309,521	22.0840%
4	MR. FAISAL KHAN	419,994	4.0160%
5	MR. MURAD ALI BUTT (THROUGH GUARDIAN MR. ALI MAQSOOD BUTT	899,825	8.6043%
6	MISS. INSHA ALI BUTT (THROUGH GUARDIAN MR. ALI MAQSOOD BUTT	899,825	8.6043%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		6,235	0.0596%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	MRS. DR. ARUJ BUTT	2,309,521	22.0840%
2	MRS. DURRAY ZARA BUTT	1,889,527	18.0680%
3	MR. MURAD ALI BUTT (THROUGH GUARDIAN MR. ALI MAQSOOD BUTT	899,825	8.6043%
4	MISS. INSHA ALI BUTT (THROUGH GUARDIAN MR. ALI MAQSOOD BUTT	899,825	8.6043%
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

پراکسی فارم
(34 ویں سالانہ عام اجلاس)

میں ہم _____ بیٹا/بیٹی/بیوی _____

کی _____ کی _____ رکن ہونا _____

کی عروج انڈسٹریز لمیٹڈ کے حاملین _____

کمپنی کے عام حصص، فلیو نمبر/شرکاء کی ID/ CDC ذیلی اکاؤنٹ نمبر کے تحت _____

اس طرح مقدر کریں _____ کی _____ اسے ناکام کرنا _____

کی _____ کے کون ہیں/رکن ہیں۔ عروج انڈسٹریز لمیٹڈ _____

فلیو نمبر/شرکاء کی ID/ CDC ذیلی اکاؤنٹ نمبر کے تحت _____ بالترتیب، میرے/ہمارے پراکس کے طور پر _____

میری/ہماری غیر موجودگی میں مجھے/ہمارے لیے اور میری/ہماری طرف سے 34 ویں سالانہ جنرل میں شرکت کرنے اور ووٹ دینے کے لیے _____

کمپنی کی میٹنگ 28 اکتوبر 2026 کو ہونی ہے اور/یا اس کا کوئی بھی التوا۔ _____

جیسا کہ میرا/ہمارا تھ گواہ ہے۔ _____ اکتوبر 2026 کا دن

کی موجودگی میں دستخط کئے۔ _____

کے دستخط
شیر بولڈرز (زبائیں) پر
ریونیوسٹیمپ
مالیت - 5 روپے

دستخط کمپنی کے ساتھ رجسٹرڈ نمونے سے متفق ہونا چاہیے

گواہ _____

نام _____

پیشہ _____

پتہ _____

اہم:

1. پراکسیز، متاثر کن ہونے کے لیے، میٹنگ کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں موصول ہونے چاہیں اور ان پر دستخط اور گواہ ہونا ضروری ہے۔

2. کوئی شخص پراکسی کے طور پر کام نہیں کرے گا جب تک کہ وہ کمپنی کا رکن نہ ہو۔

3. شیر بولڈرز سے درخواست ہے کہ وہ اپنے پتے میں تبدیلی کی اطلاع دیں، اگر کوئی ہو۔

PROXY FORM
(34th ANNUAL GENERAL MEETING)

I/We _____ son/daughter/wife

of _____ of _____ being member (s)

of **ARUJ INDUSTRIES LIMITED**, holder of _____

ordinary shares of the Company, under Folio No. / Participant's ID/CDC sub account No. _____

hereby appoint _____ of _____ failing him/her _____

of _____ who is/are member(s) of **ARUJ INDUSTRIES LIMITED**,

under Folio No. / Participant's ID/CDC sub-account No. _____ respectively, as my/our proxy

in my/our absence to attend and vote for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on October 28, 2026 and/or any adjournment thereof.

As witness my/our hand this _____ day of October, 2026

Signed in the presence of.

Witness _____

Name _____

Occupation _____

Address _____

Signature of
shareholder (s) on
revenue stamp
worth Rupees 5/-

The signature should agree with the
specimen registered with the Company.

IMPORTANT:

1. Proxies, in order to be affective, must be received at the Company's Registered Office not less than 48 hours before the time of holding the meeting and must be signed and witnessed.
2. No person shall act as proxy unless he/she is a member of the Company.
3. Shareholders are requested to notify change in their address, if any.



ARUJ INDUSTRIES LTD.

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

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