



ARUJ INDUSTRIES LTD.

Apparel



Dyeing &
Processing

Interlining



31st
Annual Report 2023

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 repute 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	Chairman
Mr. SH. Ghulam Mustafa	Member
Miss Amara Javid	Member

REGISTERED OFFICE

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

HR & REMUNERATION COMMITTEE

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

BANKERS

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

NOTICE OF 31st ANNUAL GENERAL MEETING.

Notice is hereby given that 31st Annual General Meeting of Aruj Industries Limited will be held on Monday, November 27, 2023 at 9:00 AM at the Registered Office of the Company at 2-KM, Off: Raiwind Manga Road, Raiwind, Lahore to transact the following business:-

ORDINARY BUSINESS:

1. To Confirm the Minutes of last Annual General Meeting held on 19th December, 2022.
2. To receive and adopt the Annual Audited Accounts for the year ended June 30, 2023 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.

Any Other Business

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

By order of the Board

Lahore.
November 06, 2023

Muhammad Sajjad Hussain
Company Secretary

NOTES:

- 1) Share Transfer Books of the Company will remain closed from November 20, 2023 to November 27, 2023 (both days inclusive). Transfers received in order at company's Shares Registrar Office at the close of business on November 19, 2023 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, 2023 are available on the company's website: www.aruj.com
- 4) 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

عروج انڈسٹریز لمیٹڈ اطلاع برائے 31 واں سالانہ اجلاس عام

نوٹ کیا جاتا ہے کہ عروج انڈسٹریز لمیٹڈ کا 31 واں سالانہ اجلاس بروز پیر، 27 نومبر 2023ء کو صبح 09:00 بجے کمپنی کے رجسٹرڈ آفس 2 کلومیٹر رائے ونڈ مانگا روڈ، رائے ونڈ، لاہور میں منعقد ہوگا جس میں درج ذیل کاروبار کا لین دین کیا جائے گا:

عام کاروباری معاملات:

1. 19 دسمبر 2022 کو منعقد ہونے والی آخری سالانہ عام میٹنگ کے منٹس کی تصدیق کرنا۔
2. 30 جون 2023 کو ختم ہونے والے سال کے لئے سالانہ آڈٹ شدہ اکاؤنٹس کو حاصل کرنے اور اپنانے کے لئے ڈائریکٹرز اور آڈیٹرز کو رپورٹ پیش کرنا۔
3. کمپنی کے آڈیٹرز کو اگلے سالانہ عام اجلاس کے اختتام تک عہدے پر فائز کرنے اور ان کے معاوضے کا تعین کرنے کے لئے مقرر کرنے کے لئے۔
4. چیئرمین کی اجازت کے ساتھ کسی بھی دوسرے کاروبار کا لین دین کرنے کے اہل ہوں گے۔

اور معاملات

حسب الحکم بورڈ
(محمد سجاد حسین)
کمپنی سیکرٹری

لاہور

06 نومبر 2023

نوٹ:

1. کمپنی کی شیئر ٹرانسفر بکس 20 نومبر 2023 سے 27 نومبر 2023 تک بند رہیں گی۔ 19 نومبر 2023 کو کاروبار کے اختتام پر کمپنی کے شیئر رجسٹرار آفس میں آرڈر میں موصول ہونے والی ٹرانسفرز کو وقت کے مطابق سمجھا جائے گا۔
2. اس اجلاس میں شرکت اور ووٹ دینے کا اہل رکن کسی دوسرے رکن کو اس کے بجائے شرکت اور ووٹ ڈالنے کے لئے اپنے پراسی کے طور پر مقرر کر سکتا ہے۔ مؤثر ہونے کے لئے پراسی کو کمپنی کے رجسٹرڈ آفس میں موصول ہونا ضروری ہے، میٹنگ کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے نہیں اور مناسب طریقے سے مہر، دستخط اور گواہی دی جانی چاہئے۔
3. کمپنی ایکٹ 2017 کے سیکشن 223 اور 237 کے مطابق 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کی آڈٹ شدہ مالیاتی بیانات کمپنی کی ویب سائٹ www.aruj.com پر دستیاب ہیں۔
4. شیئر ہولڈرز سے گزارش ہے کہ ایڈریس میں تبدیلی کے بارے میں کمپنی شیئر رجسٹرار یعنی میسرز کارپلانک (پرائیویٹ) لمیٹڈ ونگز آرکیڈ، 1-کے، کمرشل، ماڈل ٹاؤن، لاہور ٹیلی فون: 042-35916714-35916719 کو فوری طور پر مطلع کریں۔

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, 2023, 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

Ali Maqsood Butt
Chairperson
Dated: November 06, 2023

چیرمین 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، 2023 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

چیرمین

تاریخ: 06 نومبر، 2023

DIRECTOR'S REPORT

The Directors of your Company would like to present to you the 31st 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, 2023.

OPERATING RESULTS:

	For the year ended June 30, 2023	For the year ended June 30, 2022
	Rupees	Rupees
Sales	857,996,198	1,298,732,954
Gross Profit/(loss)	(60,870,515)	86,029,869
Loss Before Taxation	(132,794,012)	(4,490,604)
Taxation	6,749,503	16,304,194
Loss After Taxation	(139,543,515)	(20,794,798)
Loss per Share	(13.34)	(1.99)

SALIENT FEATURES:

Your company posted net sales of Rs 857.996 million for the year ended June 2023. This is a decrease of 33.94% as compared to last year.

With the dollar increasing by almost 42%, inflation had also been out of control during the last financial year. The uncertainty produced by the economic environment has made buyers cautious, which lead to a downward trend in demand. Similarly, an increase in the dollar rate affected almost all chemicals used for processing, since we rely on imported chemicals and dyes. This caused a further pressure on the already tightened liquidity position.

Your company at this moment realizes that doing business at the current interest rates are untenable. We are looking at ways to reduce our total borrowing and in discussions with our banks to do so.

Your company would reiterate that the worst is behind us. At the time of writing this director's report, the dollar seems to be under control and on the downward trend. Similarly, business confidence is slowly returning after a long period of economic and political uncertainty.

FINANCIAL AND OPERATONAL PERFORMANCE

Current liabilities of company exceeded its current assets by Rs 101.056 million. Furthermore, short term borrowings from banks amounting to Rs. 595.12 million (except of Meezan Bank Limited of Rs. 78 million which has been renewed) has not been rescheduled. The has not complied with the section 244 of Companies Act, 2017 regarding unclaimed dividend amounting to Rs. 2,290,218. This condition indicates 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.

However, Directors and sponsors are financially supporting the company to overcome its current financial crises. Furthermore, negotiation for short term borrowing is undergoing with major lenders for Rs. 595.12 million. This will further assist the Company to manage the running capital.

COMMENTS ON AUDITORS' REPORT:

Auditors have raised an observation regarding the future ability of the company to continue its operations normally. Auditors have issued their report with "Material Uncertainty Relating to Going Concern" paragraph. Management feels that considering the factors mentioned in note # 1.2, management of the Company is fully justified to prepare the financial statements using going concern assumption.

Directors assure the members of the Company that as the liquidity improves, they will deposit the required amount of unclaimed dividend.

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 six 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	6
2.	Mr. Faisal Khan	6
3.	Mr. Durray Zara Butt	6
4.	Dr. Aruj Butt	2
5.	Mr. Muhammad Sajjad Hussain	6
6.	Sheikh Ghulam Mustafa	1
7.	Miss Amara Javed	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	Chairman
2.	Sheikh Ghulam Mustafa	Member
3.	Miss Amara Javed	Member

LOSS PER SHARES:

Loss per share for the period ended 30th June 2023 works out to Rs. (13.34) as compared to Rs. (1.99) 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 2023-24.

PATTERN OF SHAREHOLDING:

Statements showing the Pattern of Shareholding as at 30 June, 2023 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

Ali Maqsood Butt
(Chairman)

MR.FAISAL KHAN
(Chief Executive)

Lahore

Dated: November 06, 2023

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 چیئر پرسن
2. شیخ غلام مصطفیٰ رکن
3. مس عمارہ جاوید رکن

ایک حصص کمائی:

30 جون 2023 کو ختم ہونے والے سال کیلئے ہر 10 روپے کے حصص پر (13.34) روپے فی حصص نقصان ہوا جبکہ 30 جون 2022 کو ختم ہونے والے سال کیلئے ہر حصص برآمدنی (1.99) 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 2023-24 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 2023 کو شیئر ہولڈنگ کے پیٹرن کو ظاہر کرنے والے بیانات اور کارپوریٹ گورننس کے ضابطہ کے ساتھ منسلک ہیں۔

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 نومبر 2023ء

علی مقصود بٹ

(چیئر مین)

اکاؤٹس کی کتب:

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

اکاؤٹنگ پالیسیاں:

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

بین الاقوامی اکاؤٹنگ معیار کے ساتھ تعمیل:

انٹرنیشنل اکاؤٹنگ سٹینڈرڈز جو کہ پاکستان میں لاگو ہیں، ان کی پیروی کرتے ہوئے مالی بیانات بنائے گئے ہیں اور جہاں پیروی نہیں کی گئی، ان کا اکتشاف 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۔

بورڈ آف ڈائریکٹرز کے اجلاس:

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

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

مالی اور آپریشنل پرفارمنس:

کمپنی کی موجودہ ذمہ داریاں اس کے موجودہ اثاثوں سے 101.056 ملین روپے سے تجاوز کر گئیں۔ مزید برآں، بینکوں سے قلیل مدتی قرضوں کی رقم روپے۔ 595.12 ملین (سوائے میزان بینک لمیٹڈ کے 78 ملین روپے جس کی تجدید کی گئی ہے) کو دوبارہ شیڈول نہیں کیا گیا ہے۔ اس نے کمپنیز ایکٹ 2017 کے سیکشن 244 کی تعمیل نہیں کی ہے جس میں روپے کے غیر دعویٰ شدہ ڈیویڈنڈ کے بارے میں ہے۔ 2,290,218۔ یہ حالت ایک مادی غیر یقینی صورتحال کی موجودگی کی نشاندہی کرتی ہے جو کمپنی کے کاروبار کے معمول کے دوران اپنے اثاثوں کو حاصل کرنے اور ایک جاری تشویش کے طور پر جاری رکھنے کی صلاحیت کے بارے میں اہم شکوک پیدا کر سکتی ہے۔

تاہم، ڈائریکٹرز اور اسپانسرز کمپنی کے موجودہ مالی بحران پر قابو پانے کے لیے مالی طور پر اس کی مدد کر رہے ہیں۔ مزید برآں، قلیل مدتی قرضہ لینے کے لیے بڑے قرض دہندگان کے ساتھ روپے میں بات چیت جاری ہے۔ 595.12 ملین۔ اس سے کمپنی کو چلتے ہوئے سرمائے کا انتظام کرنے میں مزید مدد ملے گی۔

آڈیٹرز کی رپورٹ پر تبصرے:

آڈیٹرز نے کمپنی کے کام کو معمول کے مطابق جاری رکھنے کی مستقبل کی صلاحیت کے حوالے سے ایک مشاہدہ اٹھایا ہے۔ آڈیٹرز نے اپنی رپورٹ "گوئنگ کنسرن سے متعلق مادی غیر یقینی صورتحال" پیراگراف کے ساتھ جاری کی ہے۔ انتظامیہ محسوس کرتی ہے کہ نوٹ نمبر 1.2 میں بیان کردہ عوامل پر غور کرتے ہوئے، کمپنی کی انتظامیہ کے پاس تشویش کے مفروضے کا استعمال کرتے ہوئے مالیاتی بیانات تیار کرنے کے لیے مکمل طور پر جواز ہے۔

ڈائریکٹرز کمپنی کے ممبران کو یقین دلاتے ہیں کہ جیسے جیسے لیکویڈیٹی میں بہتری آئے گی، وہ غیر دعویٰ شدہ ڈیویڈنڈ کی مطلوبہ رقم جمع کرائیں گے۔

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 سٹاک 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۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی عروج انڈسٹریز لمیٹڈ کے ڈائریکٹرز کمپنی کے 30 ویں سالانہ عام اجلاس کے سامنے 30 جون 2023 میں ختم ہونے والے سال کے لیے آڈٹ شدہ اکاؤنٹس کے ساتھ ساتھ اپنی رپورٹ پیش کرنا چاہیں گے۔

سال 30 جون 2023	سال 30 جون 2022	
857,996,198	1,298,732,954	سیلز
(60,870,515)	86,029,869	کل منافع
(132,794,012)	(4,490,604)	منافع / (نقصان) ٹیکسیشن سے پہلے
6,749,503	16,304,194	ٹیکسیشن
(139,543,515)	(20,794,798)	(نقصان) ٹیکسیشن سے بعد
(13.34)	(1.99)	(نقصان) فی شیئر آمدنی

نمایاں خصوصیات:

آپ کی کمپنی نے جون 2023 کو ختم ہونے والے سال کے لیے 857.996 ملین روپے کی خالص فروخت پوسٹ کی ہے۔ یہ پچھلے سال کے مقابلے میں 33.9% کی کمی ہے۔

ڈالر کی قیمت میں تقریباً 42 فیصد اضافہ ہونے سے گزشتہ مالی سال کے دوران مہنگائی بھی قابو سے باہر ہو گئی تھی۔ اقتصادی ماحول کی وجہ سے پیدا ہونے والی غیر یقینی صورتحال نے خریداروں کو محتاط کر دیا ہے، جس کی وجہ سے مانگ میں کمی کا رجحان ہے۔ اسی طرح، ڈالر کی شرح میں اضافے نے پروسیسنگ کے لیے استعمال ہونے والے تقریباً تمام کیمیکلز کو متاثر کیا، کیونکہ ہم درآمد شدہ کیمیکلز اور رنگوں پر انحصار کرتے ہیں۔ اس کی وجہ سے پہلے سے سخت لیکویڈیٹی پوزیشن پر مزید دباؤ پڑا۔

آپ کی کمپنی کو اس وقت احساس ہے کہ موجودہ شرح سود پر کاروبار کرنا ناقابل برداشت ہے۔ ہم اپنے کل قرضے کو کم کرنے کے طریقے تلاش کر رہے ہیں، اور ایسا کرنے کے لیے اپنے بینکوں کے ساتھ بات چیت کر رہے ہیں۔

آپ کی کمپنی اس بات کا اعادہ کرے گی کہ ہمارے پیچھے بدترین ہے۔ ڈائریکٹرز کی اس رپورٹ کو لکھنے کے وقت، ایسا لگتا ہے کہ ڈالر کنٹرول میں ہے اور نیچے کی جانب بڑھ رہا ہے۔ اسی طرح طویل عرصے تک معاشی اور سیاسی غیر یقینی صورتحال کے بعد کاروباری اعتماد آہستہ آہستہ لوٹ رہا ہے۔

KEY OPERATING & FINANCIAL DATA FROM 2018 TO 2023

	2018	2019	2020	2021	2022	2023
Net Sales Revenue	1,162,366,244	1,433,016,290	1,171,354,766	1,391,626,358	1,298,732,594	857,996,198
Cost of Goods Sold	1,053,087,323	1,318,726,514	1,021,509,142	1,250,507,329	1,212,703,085	918,866,713
Gross Profit	109,278,921	114,289,776	149,845,624	141,119,029	86,029,269	(60,870,515)
Operating Profit/ (Loss)	46,260,375	55,818,562	75,879,091	71,415,072	34,160,851	(103,451,256)
Profit (Loss) Before Tax	11,278,442	15,057,026	23,062,847	34,610,171	(12,608,755)	(132,794,012)
Profit (Loss) After Tax	6,570,286	13,124,928	10,507,364	13,329,587	(20,794,798)	(139,543,515)
Paid up Capital	104,578,900	104,578,900	104,578,900	104,578,900	104,578,900	104,578,900
Current Assets	777,259,38	862,540,980	802,155,539	792,098,666	944,121,326	807,850,847
Current Liabilities	755,144,99	878,545,761	795,702,015	771,802,550	915,454,221	908,906,407

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

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

- I. 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	○ Sheikh Ghulam Mustafa
Executive Directors*	○ Mr. Faisal Khan ○ Mrs. Durray Zara Butt ○ Mr. Ali Maqsood Butt
Non-Executive Directors	○ Dr. Aruj Butt ○ Mr. Muhammad Sajjad Hussain ○ Miss Ammara Javed

* Further, the Company has not complied with the requirement that executive directors, including the chief executive officer, shall not be more than one third of the Board. The Board is also in the process to comply with the requirement at their earliest.

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. No director have attended director's training program during the year.
10. No appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit have been made during the year.

11. Chief Financial Officer (CFO) and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:
- a) **Audit Committee**
 - Mr. Muhammad Sajjad Hussain - Chairman
 - Mr. SH. Ghulam Mustafa - member
 - Miss Ammara Javed - member
 - b) **HR and Remuneration Committee**
 - Mr. Muhammad Sajjad Hussain - Chairman
 - Dr. Aruj Butt - member
 - Miss Ammara Javed - member
13. The terms of references of the aforesaid committee have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
- a) Audit Committee (4)
 - b) HR and Remuneration Committee (1)
15. The Board has set up an effective internal audit function supervised by a qualified Accountant, who is being assisted by in house executives to carry out the 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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
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 the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements (except of non-compliances stated in serial # 3 above) of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with;and.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32,33 and 36 are below (if applicable):

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

Non-Mandatory Requirement	Reg. No.	Explanation
Regulations are partially complied. 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(I)	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.
Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(I)	The Board has not constituted a separate risk management committee however the risk is managed at respective department level which is also supervised by the departmental head.

(Mr. Ali Maqsood Butt)
(Chairman)

Lahore

Dated: November 05, 2023

(Mr. Faisal Khan)
(Chief Executive)

Lahore

Dated: November 05, 2023

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 have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Aruj Industries Limited (the Company) for the year ended June 30, 2023 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 of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlight below instance(s) of non-compliance with the requirement(s) of the Codes as reflected in the note/ paragraph reference where it/these is/are stated in the Statement of Compliance:

Paragraph Reference	Description
2	*Further, the Company has not complied with the requirement that executive directors, including the chief executive officer, shall not be more than one third of the Board. The Board is also in the process to comply with the requirement at their earliest.

Lahore
November 06, 2023
UDIN: CR202310706P7fbBuxJA

QADEER AND COMPANY
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER
TAHIR RAZZAQUE KHAN, FCA

INDEPENDENT AUDITOR'S REPORT

To the members of ARUJ INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

We have audited the annexed financial statements of Aruj Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1.2 of the financial statements, which indicates that Company incurred a net loss of Rs. 139,543,515 during the year ended June 30, 2023 and, as of the date, Company's current liabilities exceeded its current assets by Rs. 101,055,560. 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 continue as going concern.

Moreover, we would like to draw the attention of the members towards note # 11.2 with reference to failure to deposit amount of unpaid dividend under section 244 of the Companies Act, 2017 and note # 13.06 regarding un-verifiability of outstanding short term borrowings .

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

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

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

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

If, based on the work we have performed, we concluded that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) 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 and 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 Usher Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Tahir Razzaque Khan, FCA.

Lahore,

Dated: November 06, 2023

UDIN: AR202310706TLpF4dQrk

Qadeer and Company,
Chartered Accountants

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STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023	2022
		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 capital	5	104,578,900	104,578,900
Capital reserve	6	100,000,000	100,000,000
Unappropriated profit		(39,620,161)	89,198,025
		164,958,739	293,776,925
Directors' Loan	7	94,308,538	93,168,538
		259,267,277	386,945,463
Non-current liabilities			
Long term loan	8	-	-
Lease liabilities	9	15,797,489	11,865,101
Deferred liabilities	10	42,766,362	71,510,165
		58,563,851	83,375,266
Current liabilities			
Trade and other payables	11	194,185,582	217,892,041
Unclaimed dividend	11.02	2,290,218	2,290,218
Accrued markup	12	7,926,512	7,718,171
Short term borrowings	13	681,317,985	657,199,060
Current portion of long term loan		6,006,540	12,012,983
Current portion of lease liabilities		6,808,399	3,485,889
Provision for taxation	14	10,371,171	14,855,859
		908,906,407	915,454,221
Contingencies and commitments	15	-	-
		1,226,737,535	1,385,774,950
ASSETS			
Non-current assets			
Property, plant and equipment	16	410,604,548	432,092,734
Capital work in progress	17	6,548,799	6,548,799
		417,153,347	438,641,533
Long term deposits	18	1,733,341	3,012,091
		418,886,688	441,653,624
Current assets			
Stores, spares and loose tools	19	24,526,245	24,156,201
Stock in trade	20	280,184,309	415,615,399
Trade debts	21	285,554,958	251,834,703
Loans, advances and other receivables	22	159,936,412	164,982,888
Tax refunds due from the Government	23	48,761,540	72,581,897
Cash and bank balances	24	8,887,383	14,950,238
		807,850,847	944,121,326
		1,226,737,535	1,385,774,950

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		Rupees	
Sales - net	25	857,996,198	1,298,732,954
Less: Cost of sales	26	918,866,713	1,212,703,085
Gross profit/(loss)		(60,870,515)	86,029,869
Less: Selling and Distribution cost	27	1,117,682	12,968,979
Less: Administrative expenses	28	41,463,059	38,900,039
Operating profit/(loss)		(103,451,256)	34,160,851
Less: Finance cost	29	27,370,496	46,321,273
Less: Other expenses	30	1,972,260	448,333
		(132,794,012)	(12,608,755)
Add: Other Income	31	-	8,118,151
Loss before taxation		(132,794,012)	(4,490,604)
Taxation	32	6,749,503	16,304,194
Loss for the year		(139,543,515)	(20,794,798)
Loss per share - basic and diluted	33	(13.34)	(1.99)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	Rupees	
Loss for the year		(139,543,515)	(20,794,798)
Other comprehensive (loss) / Income			
Items that will not be subsequently reclassified to profit and loss:			
Remeasurement of staff retirement benefit	10.08	10,725,329	(263,390)
Total comprehensive loss for the year		(128,818,186)	(21,058,188)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(132,794,012)	(4,490,604)
Adjustment for:		
Depreciation	36,222,625	36,043,385
Financial Charges	27,370,496	46,321,273
Gain on Disposal	-	(8,118,151)
Provision for staff retirement benefits	8,334,886	10,904,760
	<u>71,928,007</u>	<u>85,151,267</u>
Profit before working capital changes	(60,866,005)	80,660,663
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(370,044)	(4,415,292)
Stock in trade	135,431,090	(163,788,174)
Trade debts	(33,720,255)	26,920,573
Loans, advances and other receivable	(2,414,646)	(15,714,644)
Trade deposits and short term prepayments	-	145,236
Tax refunds due from the Government	23,820,357	(14,720,106)
Increase/(decrease) in current liabilities:		
Trade and other payables	(23,706,457)	(6,229,529)
	<u>99,040,045</u>	<u>(177,801,936)</u>
Cash generated from / (used in) operations	38,174,040	(97,141,273)
Financial charges paid	(27,162,155)	(42,674,412)
Staff retirement benefits paid	(22,499,281)	-
Workers' welfare fund paid	-	(92,800)
Workers' profit participation fund paid	-	(1,858,763)
Income taxes paid	(7,627,149)	(7,838,526)
Net cash used in operating activities	(19,114,545)	(149,605,774)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long-term security deposits	1,278,750	(148,152)
Fixed capital expenditure	(63,200)	(839,990)
Capital work in progress	-	(1,332,770)
Disposal proceeds	-	10,670,000
Net cash generated from investing activities	1,215,550	8,349,088
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from directors' loans - Net	1,140,000	2,770,000
Repayment of lease liabilities - Net	(7,416,342)	(9,792,554)
Repayment from Long term loan - Net	(6,006,443)	(24,025,771)
Proceeds from short term borrowings - Net	24,118,925	165,907,492
Net cash generated from financing activities	11,836,140	134,859,167
Net decrease in cash and cash equivalents	(6,062,855)	(6,397,519)
Cash and cash equivalents at the beginning of the year	14,950,238	21,347,757
Cash and cash equivalents at the end of the year	8,887,383	14,950,238

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

	SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVE /UNAPPROPRIATED PROFIT	SUB TOTAL / SHARE CAPITAL AND RESERVES	DIRECTORS' LOAN	GRAND TOTAL / EQUITY
(RUPEES)						
BALANCE AS AT JUNE 30, 2021	104,578,900	100,000,000	110,256,213	314,835,113	90,398,538	405,233,651
Loan From Directors	-	-	-	-	2,770,000	2,770,000
Transaction with owners	-	-	-	-	2,770,000	2,770,000
Profit for the year	-	-	(20,794,798)	(20,794,798)	-	(20,794,798)
Other comprehensive income / (loss)	-	-	(263,390)	(263,390)	-	(263,390)
Total comprehensive income for the year:	-	-	(21,058,188)	(21,058,188)	-	(21,058,188)
BALANCE AS AT JUNE 30, 2022	104,578,900	100,000,000	89,198,025	293,776,925	93,168,538	386,945,463
Loan from directors	-	-	-	-	1,140,000	1,140,000
Transaction with owners	-	-	-	-	1,140,000	1,140,000
Profit/(loss) for the year	-	-	(139,543,515)	(139,543,515)	-	(139,543,515)
Other comprehensive income / (loss)	-	-	10,725,329	10,725,329	-	10,725,329
Total comprehensive income/(loss) for the year:	-	-	(128,818,186)	(128,818,186)	-	(128,818,186)
BALANCE AS AT JUNE 30, 2023	104,578,900	100,000,000	(39,620,161)	164,958,739	94,308,538	259,267,277

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND OPERATIONS

- 1.1 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	Business Units
2-KM, Off Raiwind Manga Road, Raiwind, Lahore.	Head office and Plant
1-KM, Raiwind Road, Thokar Niaz Baig, Lahore.	Branch Office and shop

- 1.2 The Company has incurred gross loss amounting to Rs. 60.87 million for the year and accumulated losses at year end stood at Rs. 39.62 million however net equity (excluding director's loan of Rs. 94.308 million) was Rs. 164.96. Also current liabilities of company exceeded its current assets by Rs 101.056 million. Furthermore, short term borrowings from banks amounting to Rs. 595.12 million (except of Meezan Bank Limited of Rs. 78 million which has been renewed) has not been rescheduled. This condition indicates 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:

- (a) Sponsors of the Company
 (b) the principal lenders of the Company for which management is entering into arrangement for rescheduling.

These financial statements have been prepared on applicable financial reporting framework basis on the grounds that the Company will be able to achieve satisfactory levels of profitability and liquidity in the future based on the plans drawn up by the management for this purpose and availability of the adequate working capital from its lenders and sponsors. Based on the management's plan and assured continued support from the directors, the company shall not hit the fundamental accounting assumption as going concern.

To substantiate this assumption the following events are of significance and importance on which attention of the members is drawn :

- Directors of the company are providing financing to manage the working capital needs.
- Company has made payments of its long term loan and short term borrowings and markup thereon on timely basis.
- That the markup on short term borrowings and long-term loans has been paid on timely basis as per the agreements with the bank amounting to Rs. 22,161,468;
- That the repayment of long-term loan has reduced the financial cost which will contribute in the profit for the subsequent periods;
- Company has successfully negotiated and availed short term borrowing from Meezan Bank Limited of Rs. 78 million.
- During layoff, company has successfully paid Rs. 22.5 million to the employees as staff retirement benefit.

In view of above, the management is confident that the company shall not be threatened to continue as a going concern.

2 STATEMENT OF COMPLIANCE

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

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

2.01 Initial application of a standard, amendment or an interpretation to an existing standard

Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2023

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

Standard, amendments to published accounting and reporting standards and interpretations

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

3 BASIS OF PREPARATION

3.01 Basis of Measurement

These financial statements have been prepared under the "historical cost" convention, except as otherwise stated in respective policies and notes hereunder. In these financial statements, except for staff retirement benefits at present value and the Statement of Cash Flows, all transactions have been accounted for on accrual basis.

3.02 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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented.

4.01 Foreign currency translation

Transactions in foreign currencies are translated in PKR (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into PKR at the rates of exchange approximating those prevalent at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

4.02 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering its permanent employees. Employees are eligible for benefits under this scheme after the completion of a prescribed qualifying period of service. The latest actuarial valuation was carried out as at June 30, 2023. Charge for the current year is based on estimates provided by the actuary as at June 30, 2023.

All actuarial gains and losses (i.e. remeasurements) are recognized in 'other comprehensive income' as they occur.

The Company operates an unfunded gratuity scheme covering its permanent employees. Employees are eligible for benefits under this scheme after the completion of a prescribed qualifying period of service. The latest actuarial valuation was carried out as at June 30, 2023. Charge for the current year is based on estimates provided by the actuary as at June 30, 2023.

All actuarial gains and losses (i.e. remeasurements) are recognized in 'other comprehensive income' as they occur.

4.03 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less an expected credit losses. Subsequently these are valued at amortized cost. An estimated provision for doubtful debt is made when collection of the amount is no longer probable based on expected credit loss.

4.04 Trade and other payables

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

4.05 Long term deposits

These are stated at cost or amortized cost which represents the fair value of consideration given.

4.06 Contingent liabilities

Contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.07 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 with banks in current accounts.

4.08 Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization become virtually certain.

4.09 Taxation**a) 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. Taxes paid during the year or withheld at source are shown as advance payments and are adjusted at the time of filing of Income Tax Return. Amount of tax paid in excess of tax payable as per Income Tax Return is booked as refundable.

b) Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all major 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 major taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income.

4.10 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Freehold land is stated at cost less any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost, applicable exchange differences on foreign currency loans and directly attributable cost of bringing the asset to working condition. Borrowing cost pertaining to the construction/ erection period is also capitalized as part of historical cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation on property, plant and equipment except for the freehold land is charged to the statement of profit or loss applying the reducing balance method so as to write off the depreciable amount of the assets over their estimated useful lives at the rates specified in the respective note to the financial statements. 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.

The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

4.11 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the expenditures on material, labour 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.

4.12 Impairment of non-financial assets

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.

4.13 Right of use assets and related liabilities

Leases are recognised 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 recognised right of use assets equal to the present value of lease payments.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4.14 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.

4.15 Stock-in-trade

These are valued at lower of cost or net realizable while the cost is calculated using the following basis:

- Raw materials - At weighted average cost.
- Work in process - At average manufacturing cost.
- Finished goods - At average manufacturing cost.
- Wastes - At net realizable value.

Raw material is stated at weighted average except items in transit which are valued at cost accumulated up to the balance sheet date.

Cost of work in process and finished goods comprises of cost of direct materials, labour and appropriate manufacturing overheads.

Net realizable value of finished goods and waste represents estimated selling prices in the ordinary course of business less incidental selling expenses.

4.16 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.

Local sale

The revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on dispatch of products from the mill.

Export sale

The revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, dependent on the related inco-terms generally on date of bill of lading or delivery of the product to the port of destination.

Export rebate and Duty Drawbacks are accrued on the basis of actual export proceeds realized.

4.17 Rendering of services

Revenue from garments stitching and fabric processing services to local customers is recognized at the point in time, generally on dispatch of the processed fabric from the factory.

4.18 Financial instruments

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

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 profit or loss.

4.19 Offsetting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amount and the Company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.20 Loans and receivables

These are initially measured at the fair value of the consideration receivable. Subsequently these are valued at amortized cost. These assets are written off when there is no reasonable expectation of recovery, based on the expected credit loss.

4.21 Related party transactions

All transactions with related parties are carried out by the Company at arms' length. Nature of the related party relationship as well as information about the transactions and outstanding balances are disclosed in the relevant notes to the financial statements.

4.22 Impairment

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

4.23 Borrowings and their costs

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently at amortized cost. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to statement of profit or loss in the period in which these are incurred.

4.24 Dividend and other appropriations

Dividend is recognized as a liability in the period in which it is declared. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are approved.

4.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments.

4.26 Share capital

Ordinary shares are classified as equity and recognized at their face value.

4.27 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.

4.28 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2023, all financial assets and financial liabilities are carried at amortized cost.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

4.29 Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions shall be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

4.30 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translation are recognized in the statement of profit or loss.

	Note	2023	2022
		Rupees	
5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
7,058,190 (2022: 7,058,190) ordinary shares of Rs. 10/- each fully paid in cash		70,581,900	70,581,900
3,399,700 (2022: 3,399,700) ordinary shares of Rs. 10/- each issued for consideration other than cash	5.01	33,997,000	33,997,000
		<u>104,578,900</u>	<u>104,578,900</u>
5.01	These include shares issued against acquisition of assets.		
5.02	The Shareholders' rights and privileges are governed through The Companies Act, 2017 and the rules and regulations made thereunder; the Company's Memorandum and Articles of Association and there is no specific shareholder's agreement executed for voting rights, board selection, right of first refusal and block voting.		
6 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 and machinery.			
7 DIRECTORS' LOAN			
Loan from directors - unsecured	7.01 & 7.02	94,308,538	93,168,538
7.01	These loans are accounted for under Technical Release - 32 "Accounting Director's Loan" issued by the Institute of Chartered Accountants of Pakistan effective for the financial statements for the period beginning on or after January 01, 2016 with earlier application permitted.		
7.02	This loan has been obtained from Directors of the Company, and is interest free. There is no fixed tenor or schedule for repayment of this loan. According to the loan agreement, the lenders shall not demand repayment and the same is entirely at the Company's option. This loan is for the purpose of capital expenditure or otherwise as the Board deem fit. Directors include Mr. Ali Maqsood Butt (4.88 % shareholding), Mrs. Durray Zara Butt (18.07% shareholding) and Miss Aruj Butt (22.08 % shareholding).		
8 LONG TERM LOAN			
Banking companies :			
Bank Alfalah Limited	8.01 & 8.02	6,006,540	12,012,983
Less: Current portion of long term loan		(6,006,540)	(12,012,983)
		<u>-</u>	<u>-</u>
8.01 Bank Alfalah Limited			
Loan received during the year		12,012,983	24,025,869
Less: repaid during the year		(6,006,443)	(12,012,886)
		<u>6,006,540</u>	<u>12,012,983</u>
8.02	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. The expiry date of the facility is 1st October 2022. It carries mark-up at the rate of SBP rate + 3% p.a. The base rate will be 3 month KIBOR at the disbursment date. 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	2023	2022
		Rupees	
9 LEASE LIABILITIES			
Present value of minimum lease payments		22,605,888	15,350,990
Less: current portion shown under current liabilities		(6,808,399)	(3,485,889)
		15,797,489	11,865,101

	2023			2022		
	Future Minimum Lease Payments	Finance Cost	Present Value	Future Minimum Lease Payments	Finance Cost	Present Value
	RUPEES					
Not later than one year	10,506,486	3,698,087	6,808,399	5,831,100	2,345,211	3,485,889
Later than one year but not later than five years	18,941,688	3,144,199	15,797,489	15,091,008	3,225,907	11,865,101
Total future minimum lease payments	29,448,174	6,842,286	22,605,888	20,922,108	5,571,118	15,350,990

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 (2022: 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.

10 DEFERRED LIABILITIES

Deferred tax - net	10.01	15,330,527	19,184,606
Employees retirement benefits	10.04	27,435,835	52,325,559
		42,766,362	71,510,165

10.01 Deferred tax-net

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

Accelerated depreciation	33,065,577	26,242,050
Employees retirement benefits	(4,992,281)	(7,745,028)
Finance lease and others	1,095,858	687,584
Minimum Tax	(13,838,627)	-
	15,330,527	19,184,606

10.02 The movement in temporary differences are as follows :

(RUPEES)

	Balance as at July 01, 2021	Recognized in profit & loss	Balance as at July 01, 2022	Recognized in profit & loss	Balance as at June 30, 2023
Deferred tax Debits:					
Employees retirement benefits	(5,728,127)	(2,016,901)	(7,745,028)	2,752,747	(4,992,281)
Minimum Tax	-	-	-	(13,838,627)	(13,838,627)
	(5,728,127)	(2,016,901)	(7,745,028)	(11,085,880)	(18,830,908)
Deferred tax Credits:					
Accelerated depreciation	22,415,802	3,826,248	26,242,050	6,823,527	33,065,577
Finance lease and Others	5,016,180	(4,328,596)	687,584	408,274	1,095,858
	21,703,855	(2,519,249)	19,184,606	(3,854,080)	15,330,527

10.03 Deferred tax asset of Rs. Nil million (2022: 15.17 million) on minimum tax and carry forward of tax losses has not been recognized due to uncertainty of adjustments in foreseeable futures.

	Note	2023	2022
		Rupees	
10.04 Employees retirement benefits			
<i>statement of financial position :</i>	10.06		
Present value of defined benefit obligation		27,435,835	52,325,559
Benefits payable as at end of the year		-	-
Balance sheet liability		27,435,835	52,325,559
10.05 Statement of financial position for the previous year			
Present value of defined benefit obligations as at 30th June BoY		52,325,559	41,157,409
Less Fair Value of Plan Assets		-	-
Net Define Benefit Liability as at 30th June BoY		52,325,559	41,157,409
10.06 Reconciliation of Present Value of Defined Benefit Obligations			
Present Value of Defined Benefit Obligations as at 30th June BoY		52,325,559	41,157,409
Service Cost (Current service cost + Past service cost + gain/losses on settlement)		2,892,327	6,789,019
Interest on Defined Benefit Liability		5,442,559	4,115,741
Benefits paid		(22,499,281)	-
Actuarial (gain)/losses		(10,725,329)	263,390
Present Value of Defined Benefit Obligations as at 30th June EoY		27,435,835	52,325,559
10.07 Amount Chargeable to Profit & Loss for the current year			
Service Cost (Current service cost + Past service cost + Gain/losses on settlement)		2,892,327	6,789,019
Net Interest on Defined Benefit Liability (Asset)		5,442,559	4,115,741
Total Amount Chargeable to P&L Account		8,334,886	10,904,760
Head office		3,074,327	1,856,084
Other Staff		5,260,559	9,048,676
Total Amount Chargeable To P&L Account		8,334,886	10,904,760
10.08 Measurement of Net Defined Benefit Liability			
Actuarial (gain)/losses due to changes in Demographic Assumptions			
Actuarial (gain)/losses due to changes in Financial Assumptions			
Actuarial (gain)/losses due to experience adjustments		(10,725,329)	263,390
Return on Plane Assets			
Effect of Changes in Asset Ceiling			
Amount chargeable to Other Comprehensive Income (OCI)		(10,725,329)	263,390
10.09 Statement of Financial Position as at 30th June End of the Year (EoY)			
Present Value of Defined Benefit Obligation as at 30th June EoY		27,435,835	52,325,559
Plus Payables		-	-
Less Fair Value of Plan Assets		-	-
Net Defined Benefit Liability as at 30th June EoY		27,435,835	52,325,559
10.10 Estimated Expense Chargeable to Profit & Loss for the Next Year			
		2023-24	2022-23
Service Cost		3,807,839	2,892,327
Net Interest Cost on Net Defined Benefit Liability		4,458,323	5,442,559
Total Amount Chargeable to P & L Account		8,266,162	8,334,886
10.11 Reconciliation of Net Defined Benefit Liability			
Defined Benefit Liability as at 30th June BoY		52,325,559	41,157,409
Cost Chargeable to P&L		8,334,886	10,904,760
Cost Chargeable to OCI		(10,725,329)	263,390
Benefit Paid during the Year		(22,499,281)	-
Net Defined Benefit Liability as at 30th June EoY		27,435,835	52,325,559

10.12 Sensitivity Analysis as at 30.06.2023

Change in assumptions	PVDBO in Rs.
Discount Rate+1%	25,085,985
Discount Rate-1%	30,006,464
Salary income+1%	30,005,800
Salary income-1%	25,085,677

10.13 Method and Assumptions

Valuation Method Used

IAS-19 mandates projected units credit (PUC) Method (which is an Actuarial Technique) to determine the present value of define benefit obligation, current service cost and past service cost. The same method is used the underlying valuation.

Assumptions

The economic and demographic assumption used in the valuation are unbiased, mutually compatible and best estimates as per the requirements of IAS-19. Financial assumptions are based on market expectations as at the valuation date. These assumptions are as follows:

Discount Rate

The market of high quality corporates bonds is not deep enough in Pakistan. Therefore, discount rate is based on market yields on Government bonds as at the valuation date. The discount rate used for the valuation is 16.25% per anum.

Rate of Growth in Salary

The Gratuity benefits are calculated using the Gross Salary. In view of the market expectations and long-term monetary policy of the State Bank regarding inflation, it has been assumed that the average rate of long-term future Salary increase will be 15.25% per anum.

Mortality, Withdrawal, Disability Retirement Rates

The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table.

The rates for withdrawal from service and retirement on ill- health grounds are based on industry / country experience.

Comparison of Assumption with previous valuation

	2023	2022
Discount rate	16.25%	13.25%
Expected rate of salary increase in future years	15.25%	12.25%
Average Expected Remaining Working Lifetime of employees	10 Years	10 Years
Average Duration of Liability	9 Years	9 Years
Normal Retirement Age	60 Years	60 Years

The critical gap between the discount rate and salary growth rates one percentage point (1%). This difference is consistent with previous year's assumptions. Therefore, no significant gain/loss would arise due to change in economic assumptions.

Risk associated with the scheme**Interest Rate Risk**

The present value of the defined benefit liability is calculated using the discount rate by the reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no Deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligation being discontinued. A decrease in bond interest rates will increase the liability, and vice versa.

Salary Risk

The present value of defined benefit liability is calculated be reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the salary and vise versa.

Withdrawal Rate Risk

The present value of defined benefit liability is calculated be reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate may increase/decrease the liability and vice versa depending on the age-service distribution of existing employees.

Mortality Rate Risk

The present value of defined benefit liability is calculated be reference to the best estimate of the mortality plan participants during the employment. An improvement in mortality rates of the participants may increase/decrease the liability and vice versa depending on the age-service distribution of existing employees.

Actuarial Gain/Loss Recognition

The amount of gains/losses has been charged immediately to Other Comprehensive Income as per the provisions of IAS-19.

		2023	2022
		Rupees	
11	TRADE AND OTHER PAYABLES	Note	
	Creditors		132,099,370
	Advances from customers - Unsecured		163,262,841
	Local		15,390,552
	Foreign		7,330,421
	Accrued expenses		7,252,431
	Workers' welfare fund		4,524,546
	Workers' profit participation fund	11.01	-
	Withholding tax payable		9,861,264
	Other payables	11.03	17,726,998
			<u>194,185,582</u>
			<u>217,892,041</u>
	11.01 Workers' profit participation fund		
	Opening Balance		-
	Allocation for the year		-
			<u>1,858,763</u>
	Less: Paid during the year		-
			<u>(1,858,763)</u>
			<u>-</u>
			<u>-</u>
	11.02	The Company has not complied with the section 244 of Companies Act, 2017 regarding unclaimed dividend amounting to Rs. 2,290,218.	
	11.03 Other payables		
	E.O.B.I contribution payable		4,100,117
	Directors' remuneration payable		2,872,713
	Sales tax output Un-regt.		-
	Provident fund payable		6,600,000
	Social security payable		1,072,422
	Auditors' remuneration		-
			<u>2,486,429</u>
			<u>2,648,030</u>
			<u>820,000</u>
			<u>17,726,998</u>
			<u>7,266,042</u>
	12 ACCRUED MARKUP		
	Long term loan		354,941
	Short term borrowings		934,932
			<u>7,571,571</u>
			<u>6,783,239</u>
			<u>7,926,512</u>
			<u>7,718,171</u>
	13 SHORT TERM BORROWINGS		
	From banking companies-secured		
	Habib Bank Limited	13.01	94,242,833
	The Bank of Punjab	13.02	97,160,000
	Bank Alfalah Limited	13.03	150,000,000
	Meezan Bank Limited	13.04	350,875,731
			78,000,000
	Banking Overdrafts		
	Bank Alfalah	13.05	7,799,750
	JS Bank	13.05	7,748,308
			399,671
			<u>681,317,985</u>
			<u>657,199,060</u>

- 13.01** This represent facility of Finance against packing credit facility (including its sublimits of ERF Part II, Running Finance Facility, FBP facility, FAFB and Letter of Guarantee) having total limit of Rs. 100 million. The expiry date of the facility is 31st July 2022. It carries mark-up at the rate of 3 months KIBOR + 2.5% p.a to 3 months KIBOR + 2.75% p.a and SBP rate + 1% p.a.

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.

- 13.02** 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.

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

- 1st PariPassu charge of Rs.134 Million and 67 Million over present and future current assets of the company with 25% margin.
- 1st PariPassu charge of Rs.100 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.
- The expiry date of the facilities from Bank of Punjab was 30th June 2022.

- 13.03** This represent facilities of CF-Hypo, FAPC Own Source, FBP Disc., SLC and LG having limits of Rs. 60 million, Rs. 125 million, Rs. 35 million, Rs. 142.5 million and Rs. 22.5 million respectively. The expiry date of the facilities are 30th November 2022. It carries mark-up at the rate of 1 months KIBOR + 2.5% and SBP rate + 1% p.a. These facilities are secured as follows:

- 1st Paripassu charge of Rs.474 Million on all present and future current assets of the Company (Shared with HBL :133.333 million & BOP:201 million) to be registered with SECP.
- 1st PariPassu charge of Rs.300 Million over present and future fixed assets of the Company (Shared with HBL :100 million & BOP:100 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.

- 13.04** This represents Musawamah (Local/Import) facility having limits of Rs. 78 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. Expiry of the facility is July 31, 2023.

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. 0.1 Million and rest of EM over Commercial property owned by Mrs. Naseem maqsood (Director).
- Personal Guarantees of all sponsoring directors of the Company.

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

13.06 As mentioned in note #13.01, the auditors were not able to get balance confirmation directly from the bank. This represents the balance as per the books of accounts.

	Note	2023	2022
		Rupees	
14 PROVISION FOR TAXATION			
Opening balance		14,855,859	17,023,170
Add: Current and prior year tax		10,603,583	18,823,443
Less: Adjustments during the year		(15,088,271)	(20,990,754)
		10,371,171	14,855,859

Income tax return up to and including tax year 2022 has been filed to the tax authorities under the provision of Income Tax Ordinance, 2001.

15 CONTINGENCIES AND COMMITMENTS

Contingencies

15.01 On behalf of the Company, Bank Alfalah Limited (2022: Bank Alfalah Limited) has issued guarantee amounted to Rs. 20.306 million (2022: Rs. 20.306 million) in favour of SNGPL.

15.02 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. 17.97 Million.

Commitments

15.03 Letters of credit issued by different banks as on June 30, 2023 are Rs. Nil (2022: Rs. 29.98 million).

PARTICULARS	COST				Rate %	DEPRECIATION				Written down value as at June 30, 2023
	As at July 01, 2022	Addition / Transfer	(Deletion)	As at June 30, 2023		As at July 01, 2022	Adjustment	For the year	As at June 30, 2023	
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	
OWNED ASSETS:										
Freehold land	7,544,681	-	-	7,544,681	-	-	-	-	7,544,681	Rupees
Building on freehold land	301,018,902	-	-	301,018,902	5	66,111,480	11,745,371	77,856,851	223,162,051	Rupees
-Transferred from CWIP	398,617,373	-	-	398,617,373	10	250,878,254	14,773,912	265,652,166	132,965,207	Rupees
Plant & Machinery	1,765,664	-	-	1,765,664	10	1,068,115	69,755	1,137,870	627,794	Rupees
-Transferred from ROUA	58,757,306	-	-	58,757,306	20	44,057,776	2,939,906	46,997,682	11,759,624	Rupees
Motor Vehicles	6,530,382	63,200	-	6,593,582	10	2,282,835	428,403	2,711,239	3,882,343	Rupees
-Transferred from ROUA	145,757	-	-	145,757	10	117,934	2,782	120,716	25,041	Rupees
Office Equipment	366,921	-	-	366,921	10	325,412	4,151	329,563	37,358	Rupees
Loose Tools	4,282,897	-	-	4,282,897	10	2,431,457	185,144	2,616,601	1,666,296	Rupees
Laboratory Equipment	556,587	-	-	556,587	10	464,475	9,211	473,686	82,901	Rupees
Electric Installation	113,775	-	-	113,775	10	106,803	697	107,500	6,275	Rupees
Fire Fighting Equipment	1,310,000	-	-	1,310,000	10	1,069,293	24,071	1,093,364	216,636	Rupees
Telephone Installation	781,010,245	63,200	-	781,073,445		368,913,832	30,183,404	399,097,236	381,976,207	Rupees
Gas Installation	21,400,880	14,671,240	-	36,072,120	20	1,404,558	6,039,221	7,443,779	28,628,341	Rupees
Subtotal	802,411,125	14,734,440	-	817,145,565		370,318,390	36,222,625	406,541,015	410,604,548	
RIGHT-OF-USE ASSETS:										
Motor Vehicles	21,400,880	14,671,240	-	36,072,120	20	1,404,558	6,039,221	7,443,779	28,628,341	Rupees
-Transferred from ROUA	-	-	-	-	10	-	-	-	-	Rupees
Plant & Machinery	-	-	-	-		-	-	-	-	Rupees
-Transferred from ROUA	-	-	-	-		-	-	-	-	Rupees
Subtotal	21,400,880	14,671,240	-	36,072,120		1,404,558	6,039,221	7,443,779	28,628,341	
TOTAL 2023	802,411,125	14,734,440	-	817,145,565		370,318,390	36,222,625	406,541,015	410,604,548	

16.01 Depreciation is allocated as under:

	2023	2022
Cost of Sales	26,815,094	29,447,829
Administrative Expenses	9,407,531	6,595,556
	<u>36,222,625</u>	<u>36,043,385</u>

16.02 Land - freehold and building on freehold land

Particulars	Area	Location
Freehold land	112 Kanals and 12 Marlas	2 KM, Off Raiwind Manga Road, Raiwind, Lahore.
Building on freehold land is located in above mentioned freehold land.		

16 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST			Rate %	DEPRECIATION				Written down value as at June 30, 2022	
	As at July 01, 2021	Addition / Transfer	(Deletion)		As at June 30, 2022	As at July 01, 2021	Adjustment	For the year		As at June 30, 2022
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees		Rupees
OWNED ASSETS										
Freehold land	7,544,681			7,544,681	-	-	-	-	7,544,681	
Building on freehold land	221,336,791			301,018,902	5	-	12,708,244	66,111,480	234,907,422	
-Transferred from CWIP		79,682,111								
Plant & Machinery	348,209,337			398,617,373	10	15,142,261	16,415,458	250,878,254	147,739,119	
-Transferred from ROUA		50,408,036								
Furniture and Fixture	1,686,164	79,500		1,765,664	10	-	72,953	1,068,115	697,549	
Motor Vehicles	55,380,113		(9,806,000)	58,757,306	20	(7,254,151)	4,761,783	44,057,776	14,699,530	
-Transferred from ROUA		13,183,193								
Office Equipment	5,769,892	760,490		6,530,382	10	-	429,215	2,282,835	4,247,547	
Loose Tools	145,757			145,757	10	-	3,092	117,934	27,824	
Laboratory Equipment	366,921			366,921	10	-	4,612	325,412	41,509	
Electric Installation	4,282,897			4,282,897	10	-	205,716	2,431,457	1,851,440	
Fire Fighting Equipment	556,587			556,587	10	-	10,235	464,475	92,112	
Telephone Installation	113,775			113,775	10	-	775	106,803	6,972	
Gas Installation	1,310,000			1,310,000	10	-	26,745	1,069,293	240,707	
Subtotal	646,702,915	144,113,330	(9,806,000)	781,010,245		13,153,856	34,638,827	368,913,832	412,096,412	
LEASED ASSETS										
Motor Vehicles	13,183,193	21,400,880		21,400,880	20		1,404,558	1,404,558	19,996,322	
-Transferred from ROUA		(13,183,193)				(5,265,746)				
Plant & Machinery	50,408,036				10					
-Transferred from ROUA		(50,408,036)				(15,142,261)				
Subtotal	63,591,229	(42,190,349)	-	21,400,880		(20,408,007)	1,404,558	1,404,558	19,996,322	
TOTAL 2022	710,294,144	101,922,981	(9,806,000)	802,411,125		(7,254,151)	36,043,385	370,318,390	432,092,734	

	Note	2023	2022
		Rupees	
17 CAPITAL WORK IN PROGRESS			
Building on freehold land:			
As at 01st July		6,548,799	84,898,140
Additions during the year		-	1,332,770
Transferred to property plant & equipment		-	(79,682,111)
As at 30th June		<u>6,548,799</u>	<u>6,548,799</u>
18 LONG TERM DEPOSITS			
Advance lease deposit-non interest bearing		-	-
Sui northern gas pipeline ltd.-non interest bearing		1,351,071	1,351,071
Others - non interest bearing		382,270	1,661,020
		<u>1,733,341</u>	<u>3,012,091</u>
19 STORES, SPARES AND LOOSE TOOLS		<u>24,526,245</u>	<u>24,156,201</u>
19.01 No identifiable store and spare are held for specific capitalization.			
20 STOCK IN TRADE			
Finished goods		172,575,362	242,780,804
Raw materials			
- Fabric and accessories		21,463,969	100,092,331
- Chemicals		85,819,467	71,948,039
- Packing material		325,511	794,225
- Rice Husk, Diesel & Coal		-	-
		<u>280,184,309</u>	<u>415,615,399</u>
20.01 No stock in trade has been pledged by any institution / party.			
21 TRADE DEBTS			
Considered good:			
Export - secured		44,970,690	53,038,790
Local - un-secured		240,584,268	198,795,913
		<u>285,554,958</u>	<u>251,834,703</u>
22 LOANS, ADVANCES AND OTHER RECEIVABLES			
Loans and advances - considered good	22.01	138,529,993	134,174,732
Rebate and DLTL receivable		2,200,000	4,140,615
Advance income tax - net of adjustment		19,206,419	26,667,541
		<u>159,936,412</u>	<u>164,982,888</u>
22.01 LOANS AND ADVANCES - CONSIDERED GOOD			
Unsecured:			
To suppliers for goods and services		128,609,993	128,532,732
To employees - Interest free		9,860,000	5,582,000
For local guarantee		60,000	60,000
		<u>138,529,993</u>	<u>134,174,732</u>
23 TAX REFUNDS DUE FROM THE GOVERNMENT			
Sales tax -Refundable		<u>48,761,540</u>	<u>72,581,897</u>

		2023	2022
	Note	Rupees	
24 CASH AND BANK BALANCES			
Cash in hand		5,308,646	7,755,188
Cash at banks - in current accounts		3,578,737	7,195,050
		<u>8,887,383</u>	<u>14,950,238</u>
25 SALES - NET			
Sales:			
- Local	25.01	78,711,432	48,416,984
- Export		129,019,216	497,775,064
Local: Processing and coating	25.01	649,397,491	741,831,669
Rebate and DLT on export		868,059	10,709,237
		<u>857,996,198</u>	<u>1,298,732,954</u>
25.01	It is net off of sales tax and further sales tax amounting to Rs. 124,017,582/- (2022: Rs. 131,267,296/-) and Nil (2022: Rs. 3,006/-) respectively.		
26 COST OF SALES			
Fabric and accessories consumed	26.01	106,166,654	395,874,382
Chemicals consumed	26.02	496,397,125	523,623,811
Packing material consumed	26.03	10,855,852	33,094,216
Rice Husk, diesel and coal consumed	26.04	-	39,688,192
Stores and spares consumed	26.05	691,356	656,991
Salaries and other benefits	26.06	64,178,650	117,055,610
Fuel and power		124,194,433	143,961,664
Postage, telephone and telegram		1,500,127	2,857,271
Printing and stationary		299,970	557,975
Laboratory expenses		154,890	767,788
Insurance		1,123,958	4,917,370
Import expenses		4,702,961	7,711,507
Freight and octroi		975,740	3,092,092
Repair and maintenance - machinery/building		8,285,153	12,285,991
Processing Charges (CMT)		2,319,307	1,213,899
Depreciation	16.01	26,815,094	29,447,829
		<u>848,661,270</u>	<u>1,316,806,588</u>
Finished goods:			
Opening stock		242,780,804	138,677,301
Closing stock		(172,575,362)	(242,780,804)
		70,205,443	(104,103,503)
		<u>918,866,713</u>	<u>1,212,703,085</u>
26.01 Fabric and accessories consumed			
Opening stock		100,092,331	40,843,293
Add: Purchases		27,538,292	455,123,420
		<u>127,630,623</u>	<u>495,966,713</u>
Less: Closing stock		(21,463,969)	(100,092,331)
		<u>106,166,654</u>	<u>395,874,382</u>

	Note	2023	2022
		Rupees	
26.02 Chemicals consumed			
Opening stock		71,948,039	67,441,082
Add: Purchases		510,268,553	528,130,768
		<u>582,216,592</u>	<u>595,571,850</u>
Less: Closing stock		(85,819,467)	(71,948,039)
		<u>496,397,125</u>	<u>523,623,811</u>
26.03 Packing material consumed			
Opening stock		794,225	866,849
Add: Purchases		10,387,138	33,021,592
		<u>11,181,363</u>	<u>33,888,441</u>
Less: Closing stock		(325,511)	(794,225)
		<u>10,855,852</u>	<u>33,094,216</u>
26.04 Rice Husk, diesel and coal consumed			
Opening stock		-	3,998,700
Add: Purchases		-	35,689,492
		<u>-</u>	<u>39,688,192</u>
Less: Closing stock		-	-
		<u>-</u>	<u>39,688,192</u>
26.05 Stores and spares consumed			
Opening stock		24,156,201	19,740,909
Add: Purchases		1,061,400	5,072,283
		<u>25,217,601</u>	<u>24,813,192</u>
Less: Closing stock		(24,526,245)	(24,156,201)
		<u>691,356</u>	<u>656,991</u>
26.06			
Salaries and other benefits include staff retirement benefits amounting to Rs. 5,260,559/- (2022: Rs. 9,048,676/-).			
27 SELLING AND DISTRIBUTION COST			
Export expenses		<u>1,117,682</u>	<u>12,968,979</u>
28 ADMINISTRATIVE EXPENSES			
Director's remuneration		7,164,000	7,164,000
Salaries and other benefits	28.01	14,461,447	14,730,910
Postage and telegram		12,700	385,479
Printing and stationary		197,875	161,535
Vehicle running and maintenance		1,587,917	4,581,325
Insurance		-	17,695
Fee and subscription		595,436	2,837,515
Entertainment		410,691	561,952
Auditor's remuneration	28.02	820,000	820,000
Misc Expenses		6,470,462	290,072
Legal and professional		335,000	754,000
Depreciation	16.01	9,407,531	6,595,556
		<u>41,463,059</u>	<u>38,900,039</u>

28.01 Salaries and other benefits include staff retirement benefits amounting to Rs.3,074,327/- (2022: Rs. 1,856,084/-).

	Note	2023	2022
		Rupees	
28.02 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		20,000	20,000
		<u>820,000</u>	<u>820,000</u>
29 FINANCE COST			
Interest / mark-up on:			
Short-term borrowings		21,763,090	39,423,660
Long term loan		398,378	835,079
Finance lease		3,736,452	2,006,925
Bank charges		1,472,576	4,055,609
		<u>27,370,496</u>	<u>46,321,273</u>
30 OTHER EXPENSES			
Workers' profit participation fund	11.01	-	-
Workers' welfare fund		-	-
Exchange loss		1,972,260	448,333
		<u>1,972,260</u>	<u>448,333</u>
31 OTHER INCOME			
Gain on Disposal of Fixed Assets		-	8,118,151
		<u>-</u>	<u>8,118,151</u>
32 TAXATION			
Current tax - for the year		10,371,171	14,855,859
- prior years		232,412	3,967,584
Deferred tax		(3,854,080)	(2,519,249)
		<u>6,749,503</u>	<u>16,304,194</u>
32.01 Income tax return has been filed to income tax authorities up to and including tax year 2022 under the provisions of the Income tax Ordinance, 2001.			
32.02 Numerical reconciliation between the average effective tax rate and the applicable tax rate is not given due to application of minimum tax @ 1.25% (2022: 1.25%) on local sales and final tax @ 1% (2022: 1%) on export sales realizations for the calculation of provision of tax for the year and application of tax credits.			
33 EARNINGS PER SHARE - BASIC AND DILUTED			
Net profit for the year / Profit attributable to ordinary shareholders - Rupees		<u>(139,543,515)</u>	<u>(20,794,798)</u>
Weighted average number of ordinary shares outstanding during the year - Numbers		<u>10,457,890</u>	<u>10,457,890</u>
Earnings per share - basic - Rupees		<u>(13.34)</u>	<u>(1.99)</u>

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

	Note	2023	2022
		Rupees	
34 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial assets as per Balance Sheet - at amortized cost			
Long term deposits		1,733,341	3,012,091
Trade debts		285,554,958	251,834,703
Loans and advances		9,920,000	5,642,000
Cash and bank balances		8,887,383	14,950,238
		306,095,682	275,439,032
Financial liabilities as per Balance Sheet - at amortized cost			
Long term loan		6,006,540	12,012,983
Liability against assets subject to finance lease		22,605,888	15,350,990
Trade and other payables		189,661,036	191,522,275
Accrued interest / mark-up		7,926,512	7,718,171
Short term finance		681,317,985	657,199,060
		907,517,961	883,803,479

35 FINANCIAL INSTRUMENTS**35.01 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:

Foreign trade debts	44,970,690	53,038,790
Foreign payables	-	-
Net exposure	44,970,690	53,038,790

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

USD to PKR	290.00	204.85
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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, 2023, if the Rupee had weakened / strengthened by 1% against the US dollar with all other variables held constant, pre-tax profit for the year would have been Rs. 449,707/- (2022: Rs. 530,388/-) 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:

	2023	2022
	Rupees	
Financial liabilities - variable rate instruments:		
Finance lease	22,605,888	15,350,990
Long term loan	6,006,540	12,012,983
Short term borrowings	681,317,985	657,199,060
	<u>709,930,413</u>	<u>684,563,033</u>
Financial assets	-	-
	<u>709,930,413</u>	<u>684,563,033</u>

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 and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

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. This analysis is performed on the same basis as for 2023.

	Profit and Loss 1% rate	
	Increase	Decrease
As at June 30, 2023		
Cash flow sensitivity - variable rate financial liabilities	<u>7,099,304</u>	<u>(7,099,304)</u>
As at June 30, 2022		
Cash flow sensitivity - variable rate financial liabilities	<u>6,845,630</u>	<u>(6,845,630)</u>

(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. Where considered necessary, advance payments are obtained from certain parties. Out of the total financial assets of Rs 306,095,682/- (2022: Rs 279,457,755/-), the financial assets that are subject to credit risk aggregated Rs 300,787,036/- (2022: Rs 271,082,437/-).

The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

	2023	2022
	Rupees	
Local debts	240,584,268	198,795,913
Foreign debts	44,970,690	53,038,790
	285,554,958	251,834,703

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	263,789,654	232,279,748
More than one year	21,765,304	19,554,955
	285,554,958	251,834,703

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:

Long term deposits	1,733,341	3,012,091
Trade debts	285,554,958	251,834,703
Loans and advances	9,920,000	5,642,000
Cash and bank balances	3,578,737	7,195,050
	300,787,036	267,683,844

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	AA+	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 in accordance with their contractual maturities are presented as follows:

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	
RUPEES					
June 30, 2023:					
Long term loan	6,006,540	-	6,006,540	-	6,006,540
Lease liabilities	6,808,399	15,797,489	22,605,888	-	22,605,888
Trade and other payables	-	-	-	189,661,036	189,661,036
Accrued mark up	-	-	-	7,926,512	7,926,512
Unclaimed dividend	681,317,985	-	681,317,985	-	2,290,218
Short-term finance	694,132,924	15,797,489	709,930,413	199,877,766	681,317,985
					909,808,179
June 30, 2022:					
Long term loan	12,012,983	-	12,012,983	-	12,012,983
Lease liabilities	3,485,889	11,865,101	15,350,990	-	15,350,990
Trade and other payables	-	-	-	213,367,495	213,367,495
Accrued mark up	-	-	-	7,718,171	7,718,171
Unclaimed dividend	-	-	-	2,290,218	2,290,218
Short-term finance	657,199,060	-	657,199,060	-	657,199,060
	672,697,932	11,865,101	684,563,033	223,375,884	907,938,917

35.02 Capital risk management

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, 2023 and 2022 were as follows:

During the year, the Company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2023 and 2022 were as follows:

	Note	2023	2022
		Rupees	
Long term financing		28,612,428	27,363,973
Short term finance		681,317,985	657,199,060
Total debt		709,930,413	684,563,033
Total Equity		259,267,277	336,969,002
Total Capital		969,197,690	1,021,532,035
Gearing Ratio		73.25%	67.01%

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.

36 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors	
	2023	2022	2023	2022
	RUPEES		RUPEES	
Remuneration	3,924,000	3,924,000	3,240,000	3,240,000
Allowances:				
House Rent Allowances	-	-	-	-
Utilities	-	-	-	-
Total Rupees	3,924,000	3,924,000	3,240,000	3,240,000
Number of Persons	1	1	1	1

36.01 The Chief Executive and Directors are also provided with free use of the Company maintained cars and residential phones.

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

36.03 Person qualified as executive of the company in accordance with the Companies Act, 2017 are eight (2022: eight), drawing average monthly gross salary in aggregate, amounting to Rs. 1,383,000/- (2022: Rs.1,961,110/-).

37 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 # 36 and loan from directors is disclosed in note # 7 of the Financial Statements and Statement of Cash Flows.

	2023	2022
	Rupees	
Loans received during the	1,140,000	6,370,000
Loans paid during the year	-	3,600,000

38 PLANT CAPACITY AND ACTUAL PRODUCTION

38.1	Processing capacity	Meters	
		2023	2022
	Annual capacity	24,540,000	24,540,000
	Actual production	5,868,133	8,227,320
38.2	Garments capacity	Pieces	
		2023	2022
	Annual capacity	1,650,000	1,650,000
	Actual production	282,861	1,355,036

38.3 The difference between annual capacity and actual production is mainly due to supply demand situation in domestic and international markets. Further, exact comparison of the plant capacity and actual production of these divisions are indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.

39 ACCOUNTING ESTIMATES AND JUDGMENTS

Income taxes:

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

Property, plant and equipment:

The company reviews the value of assets for possible impairment on an annual basis. Any changes in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

Staff retirement benefit - gratuity:

Certain actuarial assumptions have been adopted as disclosed in the financial statements for valuation of present value of defined benefit obligation.

Stock in trade and stores and spares:

The Company reviews the net realizable value of stock in trade and stores and spares to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated cost to complete and estimated expenditure to make sales.

40 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 (2022: eight) external customers each of which amounts to 10 percent or more of its revenues.

	2023	2022
41 NUMBER OF EMPLOYEES	No of employees	
Average during the year	183	269
As at June 30	97	269

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the board of directors in their meeting held on November 6, 2023.

43 GENERAL

Figure have been rounded off to the nearest Pakistani rupee.

Corresponding figures have been rearranged / reclassified, wherever necessary to facilitate comparison and/or compliance.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

FORM 34

**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

30-06-2023

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
80	1	100	3,344
372	101	500	176,465
69	501	1,000	64,370
62	1,001	5,000	156,835
6	5,001	10,000	42,897
6	10,001	15,000	70,045
2	15,001	20,000	35,500
2	20,001	25,000	45,350
1	25,001	30,000	30,000
1	30,001	35,000	34,000
2	35,001	40,000	78,000
1	40,001	45,000	44,500
1	45,001	50,000	47,000
1	50,001	55,000	52,500
1	60,001	65,000	62,000
1	130,001	135,000	132,800
1	140,001	145,000	144,000
1	185,001	190,000	187,700
1	415,001	420,000	419,994
1	455,001	460,000	458,010
1	505,001	510,000	509,871
2	895,001	900,000	1,799,650
1	1,660,001	1,665,000	1,664,011
1	1,885,001	1,890,000	1,889,527
1	2,305,001	2,310,000	2,309,521
618			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)	187,700	1.7948%
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	5,863,059	56.0635%
2.3.8 General Public		
a. Local	3,333,174	31.8723%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
Joint Stock Companies	2,001	0.0191%
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, 2023

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	ARUJ ENTERPRISES (PVT) LTD.	187,700	1.7948%
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	MISS ARUJ BUTT	2,309,521	22.0840%
4	MR. FAISAL KHAN	419,994	4.0160%
5	MR. MUHAMMAD SAJJAD HUSSAIN	-	0.0000%
6	SH. GHULAM MUSTAFA	-	0.0000%
7	MISS AMARA JAVAID	-	0.0000%
8	MR. MURAD ALI BUTT (THOUGH GUARDIAN MR. ALI MAQSOOD BUTT	899,825	8.6043%
9	MR. INSHA ALI BUTT (THOUGH 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	MISS ARUJ BUTT	2,309,521	22.0840%
2	MRS. DURRAY ZARA BUTT	1,889,527	18.0680%
3	MR. MAQSOOD AHMAD BUTT	1,664,011	15.9115%
4	MR. MURAD ALI BUTT (THOUGH GUARDIAN MR. ALI MAQSOOD BUTT	899,825	8.6043%
5	MR. INSHA ALI BUTT (THOUGH 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
1	MR. ALI MAQSOOD BUTT	1,799,650	-
2	MR. MURAD ALI BUTT (THOUGH GUARDIAN MR. ALI MAQSOOD BUTT	-	899,825
3	MR. INSHA ALI BUTT (THOUGH GUARDIAN MR. ALI MAQSOOD BUTT	-	899,825



پراکسی فارم
(31 ویں سالانہ عام اجلاس)

میں ہم _____ بیٹا/بیٹی/بیوی

کی _____ کی _____ رکن ہونا

کی عروج انڈسٹریز لمیٹڈ کے حاملین _____

کمپنی کے عام حصص، فوئیونمبر/شرکا کی ID/ CDC؛ بلی اکاؤنٹ نمبر کے تحت _____

اس طرح مقدر کریں _____ کی _____ اسے ناکام کرنا

کی _____ کے کون ہیں ارکن ہیں۔ عروج انڈسٹریز لمیٹڈ

فوئیونمبر/شرکا کی ID/ CDC؛ بلی اکاؤنٹ نمبر کے تحت _____ بالترتیب، میرے/ہمارے پراکس کے طور پر

میری/ہماری غیر موجودگی میں مجھے/ہمارے لیے اور میری/ہماری طرف سے 31 ویں سالانہ جنرل میں شرکت کرنے اور ووٹ دینے کے لیے

کمپنی کی میٹنگ 27 نومبر 2023 کو ہونی ہے اور ایسا اس کا کوئی بھی التوا۔

جیسا کہ میرا/ہمارا ہاتھ گواہ ہے۔ _____ نومبر 2023 کا دن

کی موجودگی میں دستخط کئے۔

کے دستخط
شیر بولڈرز (زبائیں) پر
ریونیوسٹیپ
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 کارکن نہ ہو۔

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

PROXY FORM
(31st 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 31st Annual General Meeting of the Company to be held on November 27, 2023 and/or any adjournment thereof.

As witness my/our hand this _____ day of November, 2023

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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