

**QUARTERLY ACCOUNTS  
FOR THE NINE MONTH AND  
QUARTER ENDED MARCH 31,2019  
(UN-AUDITED)**



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**ARUJ INDUSTRIES LTD.**

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**ARUJ INDUSTRIES LTD.**

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

- |                               |   |                         |
|-------------------------------|---|-------------------------|
| 1. Mr. Maqsood Ahmad Butt FCA | : | Chair Person            |
| 2. Mr. Faisal Khan            | : | Chief Executive Officer |
| 3. Mrs. Naseem Maqsood Butt   | : | Director                |
| 4. Mr. Ali Maqsood            | : | Director                |
| 5. Mrs. Durray Zara Butt      | : | Director                |
| 6. Dr. Aruj Butt              | : | Director                |
| 7. Sh. Ghulam Mustafa         | : | 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**

Sh. Ghulam Mustafa	Chairman
Mr. Maqsood Ahmad Butt FCA	Member
Mr. Ali Maqsood Butt	Member

### **REGISTERED OFFICE**

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

### **HR & REMUNERATION COMMITTEE**

Sh. Ghulam Mustafa	Chairman
Mrs. Naseem Maqsood Butt	Member
Dr. Aruj Butt	Member

### **BANKERS**

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



**ARUJ INDUSTRIES LTD.**

## DIRECTOR'S REPORT

Your Directors have the pleasure to present to you the Financial Statement of the company for the Third Quarter ended March 31, 2019

	9 Months ended Mar., 31, 2019 Rupees	9 Months ended Mar., 31, 2018 Rupees
Sales	935,462,803	873,365,822
Gross Profit	85,866,686	73,190,178
Profit Before Taxation	16,083,294	7,305,245
Taxation	4,824,988	2,191,574
Profit After Taxation	11,258,306	5,113,672
Earnings per Share	1.08	0.49

As compared with the last 9-Months, your Company has been able to claw back its Revenues by 7.1%. Your company has been able to mature the orders for its Apparel Division, and continues to make efforts in further increasing its sales and adding newer markets inside the EU, UK and further.

The Dyeing and Processing Division saw slight fluctuations due to the uncertainty in the market. However, due to the correction of the value of the Pakistani Rupee against other currencies, Pakistan has become a competitive destination for textiles once again. This will translate to a growth in this side of your Company in the coming 3 months as business activity fueled by exports grows.

We on the Board are very hopeful that we shall maintain the same momentum during the next 3 months. One major concern is the rising cost of production due to inflation and the weakening Rupee. We are still reliant on importing raw materials used in both the Apparel and the Processing Divisions, and while we are managing to keep the effects in check, a sudden major change in foreign exchange rates could pose as a risk as far as the cost of doing business is concerned.

As has been the case in every previous quarter, The 3<sup>rd</sup> quarter on the current financial year saw a more than average increase in the price of our main energy sources. Also, in the coming quarter, your Company might have to deal with some electricity issues as the summer and the holy month of Ramadan approaches. We are, however, geared up with alternative sources of electricity.

### Note of Thanks:

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

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

**For and on behalf of the Board**

Lahore:  
29<sup>th</sup> April, 2019

**FAISAL KHAN**  
Chief Executive Officer

## ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز آپ کو 31 مارچ 2019 کو تقرر ہونے والے سرمایہ کے مالی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

نومائے 31 مارچ 2019 نومائے 31 مارچ 2018

کے اختتام پر کے اختتام پر

873,365,822 935,462,803

73,190,178 85,866,686

7,305,245 16,083,294

2,191,574 4,824,988

5,113,672 11,258,306

0.49 1.08

بیلز

کل منافع

منافع نمائندگی سے پہلے

نمائندگی

منافع نمائندگی سے بعد

فی شیئر آمدنی

پچھلے 9 ماہ کے مقابلے میں، آپ کی کمپنی اپنی آمدنی میں 7.1% اضافہ لانے میں کامیاب ہو گئی ہے۔ آپ کی کمپنی ایپریل ڈویژن کے آرڈرز کو پورا کرنے کے قابل ہو گئی ہے، اور ان کی فروخت کو مزید بڑھانے کی کوششیں جاری رکھے گی۔ یورپی یونین اور برطانیہ میں مزید نی مارکیٹوں کو شامل کرنے کی کوشش کر رہی ہے۔

ڈائنگ اور پروسیسنگ ڈویژن نے مارکیٹ میں عدم یقینی کی وجہ سے تھوڑا اتار چڑھا دیکھا تھا۔ تاہم، پاکستانی روپیہ کی قیمت کی اصلاح برعکس دیکر کرنسیوں کی وجہ سے، پاکستان ایک باہر بیگینکس کے لئے ایک مسابقتی ملک بن گیا ہے۔ یہ عنصر آپ کی کمپنی کے اس حصے میں آنے والے 3 مہینے میں برآمدات میں اضافہ کا باعث ہوگی۔

ہمارا بورڈ پُر امید ہیں کہ ہم اگلے 3 ماہ کے دوران اسی رفتار کو برقرار رکھیں گے۔ ایک اہم توثیق پیداوار کی بڑھتی ہوئی لاگت جو کہ افراط زر اور روپے کی قیمت میں کمی کے باعث ہے۔ ہم ابھی بھی ایپریل اور پروسیسنگ ڈویژنز میں استعمال ہونے والے خام مال کو درآمد کرنے پر مجبور ہیں، جس کے اثرات کو ہم ابھی تک سنبھالے ہوئے ہیں۔ ہم لیکن غیر ملکی کرنسی کی شرحوں میں چابک بازی تھریڈ کی خطرے کا باعث بن کر، کاروباری لاگت میں مزید اضافہ کا سبب بن سکتی ہے۔

جبکہ ہر پچھلے سرمایہ میں ہوا ہے، موجودہ مالی سال کے تیسری سرمایہ میں توانائی کے ذرائع کی قیمت میں اوسط اضافہ زیادہ سے زیادہ دیکھا گیا ہے۔ اس کے علاوہ، آنے والی سرمایہ میں، آپ کی کمپنی کو موسم گرما اور رمضان المبارک کے مہینے میں بجلی کے مسائل سے نمٹنا پڑ سکتا ہے۔ تاہم، ہم بجلی کے متبادل ذرائع کے ساتھ تیار ہیں۔

شکریہ کا نوٹ:

بورڈ اپنے قابل قدر محدود اداروں، گاہکوں اور خام مال کے سپلائرز کے تعاون کا شکریہ ادا کرتا ہے۔ جن کے تعاون، مسلسل حمایت اور تحفظ نے ہمیں اپنے مطلوبہ نتائج حاصل کرنے کے قابل بنایا ہے۔

بورڈ اپنے ایگزیکٹوز، اسٹاف کے ارکان اور خاص طور پر آپ کی کمپنی کے کارکنوں کا شکریہ ادا کرتی ہے، جنہوں نے شائد کاروبار کو خوشیوں کے ساتھ کام کر کے، یہ نتائج ممکن بنائے۔

یورڈ کی چاہیے:-

فیصل خان  
چیف ایگزیکٹو آفیسر

لاہور  
29 اپریل 2019

**ARUJ INDUSTRIES LTD.****BALANCE SHEET  
AS AT MARCH 31, 2019**

	(UN-AUDITED) Mar., 31, 2019 Rupees	(AUDITED) June 30, 2018 Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised Capital		
12,500,000 ordinary shares of Rs. 10/- each	<b>125,000,000</b>	125,000,000
Issued, Subscribed & Paid up Capital:	<b>104,578,900</b>	104,578,900
Capital Reserve	<b>100,000,000</b>	100,000,000
Retained earning	<b>86,065,860</b>	74,807,554
	<b>290,644,760</b>	279,386,454
<b>NON-CURRENT LIABILITIES</b>		
Liabilities against assets subject to finance lease	<b>34,350,630</b>	29,777,120
Long-term Loan	<b>90,368,538</b>	83,523,538
Deferred liabilities	<b>43,435,337</b>	43,435,337
	<b>168,154,505</b>	156,735,995
<b>CURRENT LIABILITIES:</b>		
Short Term Finance	<b>422,877,205</b>	406,017,881
Current maturity of Finance Lease	<b>24,453,840</b>	26,607,424
Trade and other payable	<b>374,264,804</b>	331,590,322
Unclaimed Dividend	<b>2,290,218</b>	2,290,218
Accrued Markup of short term loans-secured	<b>2,413,764</b>	4,142,499
Provision for Taxation	<b>15,929,064</b>	11,104,075
	<b>842,228,895</b>	781,752,419
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-
	<b>1,301,028,160</b>	1,217,874,868
<b>PROPERTY PLAND AND EQUIPMENT</b>		
<b>Operating Fixed Assets - Tangible</b>		
At Written down value	<b>382,058,692</b>	380,709,097
<b>CAPITAL WORK IN PROGRESS - P &amp; M</b>	<b>66,223,653</b>	52,832,815
<b>LONG TERM SECURITY DEPOSITS</b>	<b>9,062,666</b>	7,073,571
<b>CURRENT ASSETS:</b>		
Stores and spares	<b>11,591,228</b>	10,031,453
Stock in trade	<b>322,065,560</b>	366,059,808
Trade Debts	<b>355,035,359</b>	228,227,368
Loan & Advances	<b>84,925,876</b>	113,240,465
Trade deposits & Short Term pre-payments	<b>914,033</b>	1,587,610
Other Receivable	<b>37,844,450</b>	40,137,986
Cash and bank balances	<b>31,306,643</b>	17,974,695
	<b>843,683,149</b>	777,259,385
<b>TOTAL ASSETS</b>	<b>1,301,028,160</b>	1,217,874,868

Chief Executive Officer

Director

Chief Financial Officer



**ARUJ INDUSTRIES LTD.**

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTH AND QUARTER  
ENDED MARCH , 2019**

	Jul-18 To Mar-19 Rupees	Jul-17 To Mar-18 Rupees	Jan-19 To Mar-19 Rupees	Jan-18 To Mar-18 Rupees
<b>Sales - net</b>	<b>935,462,803</b>	<b>873,365,822</b>	<b>341,942,313</b>	<b>283,031,136</b>
<b>Less: Cost of sales</b>	<b>(849,596,117)</b>	<b>(800,175,644)</b>	<b>(309,288,555)</b>	<b>(276,382,321)</b>
<b>Gross Profit</b>	<b>85,866,686</b>	<b>73,190,178</b>	<b>32,653,758</b>	<b>6,648,815</b>
<b>Less: Operating expenses:</b>				
Administrative and General	(25,344,029)	(26,680,343)	(4,676,679)	(6,948,920)
Selling and Distribution	(14,644,123)	(16,208,776)	(6,174,984)	(4,813,082)
	(39,988,152)	(42,889,119)	(10,851,663)	(11,762,002)
<b>Operating profit / (loss)</b>	<b>45,878,534</b>	<b>30,301,059</b>	<b>21,802,095</b>	<b>(5,113,187)</b>
<b>Finance Cost</b>	<b>(33,029,599)</b>	<b>(22,611,327)</b>	<b>(16,312,985)</b>	<b>(8,629,559)</b>
	<b>12,848,935</b>	<b>7,689,732</b>	<b>5,489,110</b>	<b>(13,742,746)</b>
<b>Add: Other income</b>	<b>4,080,848</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>16,929,783</b>	<b>7,689,732</b>	<b>5,489,110</b>	<b>(13,742,746)</b>
<b>Workers' profit participation fund</b>	<b>(846,489)</b>	<b>(384,487)</b>	<b>(274,455)</b>	<b>687,137</b>
<b>Profit / (loss) before taxation</b>	<b>16,083,294</b>	<b>7,305,245</b>	<b>5,214,655</b>	<b>(13,055,609)</b>
<b>Provision for taxation</b>	<b>(4,824,988)</b>	<b>(2,191,574)</b>	<b>(5,952,449)</b>	<b>5,187,610</b>
<b>Profit / (loss) after taxation</b>	<b>11,258,306</b>	<b>5,113,671</b>	<b>(737,794)</b>	<b>(7,867,999)</b>
<b>Earnings per share - basic</b>	<b>1.08</b>	<b>0.49</b>	<b>(0.07)</b>	<b>(0.75)</b>

Chief Executive Officer

Director

Chief Financial Officer



**ARUJ INDUSTRIES LTD.**

## CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTH AND QUARTER ENDED MARCH 31, 2019

	March. 31, 2019 Rupees	March. 31, 2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	16,083,294	7,305,245
<b>Adjustments for:</b>		
Depreciation	22,099,112	20,639,444
Financial Charges	33,029,599	22,611,327
Gain on disposal of assets	(4,080,848)	-
W.P.P.F	846,489	384,487
	<u>51,894,352</u>	<u>43,635,258</u>
<b>Cash Folw Before Working Capital Changes</b>		
<b>Working Capital Changes</b>	67,977,646	50,940,503
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools and	(1,559,775)	(6,393,594)
Stock in trade	43,994,248	(41,658,499)
Trade debts	(126,807,991)	(26,489,625)
Loan and advances	28,314,589	(11,533,068)
Trade deposits and short prepayments	673,577	(144,050)
Other Receivables	2,293,536	57,688,820
Increase/ (decrease) in current liabilities		
Trade and other payables	41,287,994	13,102,718
	<u>(11,263,822)</u>	<u>(15,427,298)</u>
<b>Cash Generated from Operations</b>	56,713,824	3,513,205
Financial Cost Paid	(34,758,334)	(22,570,004)
Dividend paid	-	(12,654,047)
<b>Net Cash inflow /(outflow) from operating activities</b>	<u>21,955,490</u>	<u>289,154</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Security Deposits	(1,989,095)	(2,353,079)
Fixed capital expenditure	9,103,710	(89,145,204)
Capital Work In Progress	(13,390,838)	(37,688,161)
<b>Net Cash inflow /(outflow) from Investing activities</b>	<u>(6,276,223)</u>	<u>(129,186,444)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Long Term loans (Paid)/Received	6,845,000	35,030,120
Payment of liabilities against assets subject to finance lease	(26,051,643)	18,818,155
<b>Net Cash inflow /(outflow) from Financing activities</b>	<u>(19,206,643)</u>	<u>53,848,275</u>
<b>Net (Increase) / Decrease in cash and cash equivalents</b>	<u>(3,527,376)</u>	<u>(75,049,015)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>(388,043,186)</u>	<u>(308,191,966)</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FIRST QUARTER</b>	<u><u>(391,570,562)</u></u>	<u><u>(383,240,981)</u></u>
<b>A CASH AND CASH EQUIVALENTS</b>		
Short term finance	(422,877,205)	(410,933,988)
Cash and Bank balances	31,306,643	27,693,007
	<u><u>(391,570,562)</u></u>	<u><u>(383,240,981)</u></u>

Chief Executive Officer

Director

Chief Financial Officer

**ARUJ INDUSTRIES LTD.****STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTH AND  
QUARTER ENDED MARCH 31,2019**

	Share Capital Rupees	Capital Reserves Rupees	Rupees Un-appropriat- ed Profit Rupees	Total
Balance as at July 01.2017	104,578,900	100,000,000	80,354,915	284,933,815
Dividend Paid			(12,654,047)	(12,654,047)
Net Profit for 9 Months upto March 31 , 2018			5,113,672	5,113,672
Balance as at .March 31.,2018	<u>104,578,900</u>	<u>50,000,000</u>	<u>72,814,540</u>	<u>277,393,440</u>
Balance as at July 01.2018	104,578,900	100,000,000	74,807,554	279,386,454
Dividend Paid			-	-
Net Profit for 9 Months upto Marh 31, 2019			11,258,306	11,258,306
Balance as at .March 31.,2019	<u>104,578,900</u>	<u>100,000,000</u>	<u>86,065,860</u>	<u>290,644,760</u>

1. These Accounts are un-audited and are being presented as required under the Companies Act 2017.
2. The accounting policies adopted for the preparation of the third Quarter Accounts are the same as those applied in the preparation of the preceding annual published accounts for the year ended June 30. 2018 of the company
3. Figures for previous period have been re-arranged where-ever necessary, for the purpose of comparison and have been rounded off to the nearest rupee.

	March 31 2019 Rupees	March 31 2018 Rupees
<b>4 Basic Earning per Share</b>		
Net Profit for the Nine months	11,258,306	5,113,671
Number of Ordinary Shares	10,457,890	10,457,890
Earning per Share (Rs.)	1.08	0.49

Chief Executive Officer

Director

Chief Financial Officer

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

📍 **Lahore Office (Stitching Unit):** Aruj House 1-KM Raiwind Road,  
Lahore, Pakistan.

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