
ARUJ INDUSTRIES LTD.

CONDENSED INTERIM STATEMENT FOR SIX MONTH PERIOD ENDED
DECEMBER 31, 2020



Half Yearly Report

December 31, 2020

UN-AUDITED



COMPANY INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mrs. Durray Zara Butt

COMPANY SECRETARY

Mr. Muhammad Sajjad Hussain

SHARE REGISTRARS

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

LEGAL ADVISOR

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

AUDITORS

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

REGISTERED OFFICE

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

AUDIT COMMITTEE

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

REGISTERED OFFICE

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

HR & REMUNERATION COMMITTEE

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

BANKERS

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



DIRECTOR'S REPORT TO MEMBERS

Your Directors have the pleasure to present to you the Financial Statement of the company for the Half Year ended 31 December, 2020

	6 Months ended Dec., 31, 2020 Rupees	6 Months ended Dec., 31, 2019 Rupees
Sales	690,294,144	552,071,504
Gross Profit	74,800,625	70,130,559
Profit / (Loss) Before Taxation	24,993,559	14,614,585
Taxation	10,576,124	4,389,666
Profit / (Loss) After Taxation	14,417,435	10,224,919
Earnings per Share	1.38	0.98

Your Company's total sale value increased 25% as compared to the same period last year. This is largely attributed to an increase in local sale due to firm demand as lockdown restrictions eased. We saw an increase in cost of goods sold due to an inflationary trend.

Your Company has a good outlook for the coming 6 months. Our export countries are seeing mass vaccination efforts, which means opening up of restrictions would drive up export sales. Similarly, local demand is expected to remain. The current major threat is coming from volatile cotton prices, which are currently putting a lot of pressure on the cost of goods sold. We have also observed a push in prices of raw materials caused by supply chain blockages and high demand as lockdowns ease. However, your Company shall try to mitigate these affects with better buying practices.

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
Dated: February 26, 2021

FAISAL KHAN
Chief Executive



ڈائریکٹرز رپورٹ

آپ کی کمپنی عروج اٹھ سٹریٹ لیمیٹڈ کے ڈائریکٹرز کمپنی کے 31 دسمبر 2020 کو ختم ہونے والے نصف سال کے حسابات پیش کرنا چاہیں گے۔ مختصر نتائج اس طرح ہیں۔

ششماہی 31 دسمبر 2020 ششماہی 31 دسمبر 2019

کے اختتام پر کے اختتام پر

552,071,504 690,294,144

70,130,559 74,800,625

14,614,585 24,993,559

4,389,666 10,576,124

10,224,919 14,417,435

0.98 1.38

سیلز

کل منافع

منافع (تقصان) ٹیکسیشن سے پہلے

ٹیکسیشن

منافع (تقصان) ٹیکسیشن کے بعد

فی شیئر آمدنی

نمایاں خصوصیات:

پچھلے سال کی اسی مدت کے مقابلہ میں آپ کی کمپنی کی کل فروخت ایلٹ میں 25% کا اضافہ ہوا ہے۔ اس کی بڑی وجہ مقامی طلب میں مستحکم مطالبہ کی وجہ سے فروخت میں اضافے کو قرار دیا گیا ہے کیونکہ لاک ڈاؤن پابندیوں میں کمی آئی ہے۔ افراد زر کے رجحان کی وجہ سے ہم نے فروخت کردہ سامان کی قیمت میں اضافہ دیکھا ہے۔

آپ کی کمپنی آنے والے 6 مہینوں کے لئے اچھا نقطہ نظر رکھتی ہے۔ ہمارے برآمد کنندہ ممالک و ٹیکسیشن کی بڑے پیمانے پر کوششیں دیکر ہے ہیں، جس کا مطلب ہے کہ پابندیوں کے کھلنے سے برآمدی فروخت میں اضافہ ہوگا۔ اسی طرح، مقامی مطالبہ بھی برقرار رہنے کی امید ہے۔ موجودہ براہ خطرہ کپاس کی فیئر مستحکم قیمتوں سے آ رہا ہے، جو اس وقت فروخت ہونے والے سامان کی قیمت پر بہتر دباؤ ڈال رہے ہیں۔

ہم نے سہلائی چین کی راہ میں مائل رکاوٹوں اور مائل طلب کی وجہ سے خام مال کی قیمتوں میں اضافے کا مشاہدہ کیا ہے کیونکہ لاک ڈاؤن ڈاؤن آسانی سے ہوتا ہے۔ تاہم، آپ کی کمپنی خریداری کے بہتر طریقوں سے ان اثرات کو کم کرنے کی کوشش کرے گی۔

شکریہ کا نوٹ:

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

یورڈا ٹیگز ٹیکسٹائلز اسٹاف ممبران اور عوامی طور پر آپ کی کمپنی کے ورکرز کا بھی شکریہ ادا کرنا چاہتا ہے، جنہوں نے اس سب کو ممکن بنانے کے لئے پوری کوشش کے ساتھ پوری وفاداری کے ساتھ کام کیا۔

یورڈا کی جانب سے

لاہور

مورخہ 26 فروری 2021

فیصل خان
چیف ایگزیکٹو



**AUDITOR'S REPORT TO THE MEMBERS ON REVIEW
OF INTERIM FINANCIAL INFORMATION**

INTRODUCTION

We have reviewed the accompanying condensed statement of financial position of **ARUJ INDUSTRIES LIMITED**, as of December 31, 2020 and the related condensed statements of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed statement of cash flows and notes to the financial statement for the six-months period then ended. Management is responsible for the preparation and presentation of these interim financial information in accordance with accounting and reporting standards applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures in the interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 and December 31, 2020 have not been reviewed as we are required to review only the cumulative figures for the six-months period ended December 31, 2020.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is **ABDUL RAHMAN**

Lahore:
February 26, 2021

QADEER & COMPANY
CHARTERED ACCOUNTANTS
ABDUL RAHMAN ACA



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2020**

	Note	Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital: 12,500,000 (June 30, 2020: 12,500,000) ordinary shares of Rs. 10/- each			
		<u>125,000,000</u>	<u>125,000,000</u>
Issued, subscribed and paid up capital: 10,457,890 (June 30,2020: 10,457,890) ordinary shares of Rs. 10/- each		104,578,900	104,578,900
Capital reserve		100,000,000	100,000,000
Directors' Loan	5	90,398,538	87,448,538
Unappropriated profit		113,311,996	98,894,561
		408,289,434	390,921,999
NON-CURRENT LIABILITIES			
Lease liability		1,118,839	5,363,183
Deferred liabilities	6	59,131,605	56,397,744
		60,250,444	61,760,927
CURRENT LIABILITIES			
Trade and other payables	7	202,419,943	233,084,016
Unclaimed dividend		2,290,218	2,290,218
Markup accrued on loans and other payables		11,150,197	11,097,362
Short term borrowings	8	502,762,311	508,626,794
Current portion of long term borrowings		15,573,253	27,748,819
Provision for taxation		20,697,069	12,854,806
		754,892,991	795,702,015
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		<u>1,223,432,869</u>	<u>1,248,384,941</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	384,339,398	400,164,402
Capital work in process		39,508,875	36,251,914
		423,848,273	436,416,316
Long term deposits		9,813,086	9,813,086
		433,661,359	446,229,402
CURRENT ASSETS			
Stores, spare parts and loose tools		14,960,650	13,528,250
Stock in trade		213,159,574	286,100,101
Trade debts		307,758,583	326,115,399
Loans and advances		120,132,948	36,345,516
Trade deposits and short term prepayments	11	110,420	174,081
Tax refunds due from the Government	12	105,259,919	118,311,714
Cash and bank balances	13	28,389,416	21,580,478
		789,771,510	802,155,539
		<u>1,223,432,869</u>	<u>1,248,384,941</u>

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Six Months Ended December 31,		Quarter Ended December 31,	
	2020	2019	2020	2019
	Rupees			
Sales - net	690,294,144	552,071,504	316,047,027	305,990,515
Cost of sales	615,493,519	481,940,945	273,690,923	267,363,031
Gross profit	74,800,625	70,130,559	42,356,104	38,627,484
Operating expenses:				
Administrative and general	17,836,272	21,102,570	10,530,401	12,434,635
Selling and distribution	6,839,547	9,314,972	1,591,710	3,639,646
	24,675,819	30,417,542	12,122,111	16,074,281
Operating profit	50,124,806	39,713,017	30,233,993	22,553,203
Finance cost	23,815,796	24,329,243	10,126,571	12,546,080
	26,309,010	15,383,774	20,107,422	10,007,123
Other operating income	-	-	-	-
	26,309,010	15,383,774	20,107,422	10,007,123
Workers' profit participation fund	1,315,451	769,189	1,005,372	500,356
Profit before taxation	24,993,559	14,614,585	19,102,050	9,506,767
Taxation	10,576,124	4,389,666	8,867,587	2,857,320
Profit after taxation	14,417,435	10,224,919	10,234,463	6,649,447
Earnings per share - basic & diluted	1.38	0.98	0.98	0.64

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



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	<u>Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	Rupees			
Profit for the period	14,417,435	10,224,919	10,234,463	6,649,447
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	14,417,435	10,224,919	10,234,463	6,649,447

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	December 31, 2020	December 31, 2019
Note	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	24,993,559	14,614,585
Adjustments for:		
10 Depreciation	16,611,204	18,648,470
Finance cost	23,815,796	24,329,243
Workers' profit participation fund	1,315,451	769,189
Gain on disposal of fixed assets	-	-
	<u>41,742,451</u>	<u>43,746,902</u>
Cash flows before working capital changes	66,736,010	58,361,487
(Increase)/Decrease in current assets		
Stores, spare parts and loose tools	(1,432,400)	(718,455)
Stock in trade	72,940,527	(79,032,254)
Trade debts	18,356,816	(58,193,285)
Loans And Advances	(83,787,432)	(62,649,241)
Trade deposits & short term pre-payments	63,661	129,026
Other receivables	17,654,547	(9,140,917)
(Decrease)/Increase in current liabilities		
Trade and other payables	(31,979,524)	109,144,812
	<u>(8,183,805)</u>	<u>15,926,256</u>
Cash generated from/(used in) operations	58,552,205	74,287,743
Income tax paid/ refund	(4,602,752)	(4,481,964)
Finance cost paid	(23,762,961)	(26,980,244)
Net cash (outflows) / inflows from operating activities	<u>30,186,492</u>	<u>42,825,535</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(786,200)	(5,876,100)
Capital work in process	(3,256,961)	(7,712,933)
Long term deposits	-	(200,000)
Disposal Proceeds	-	-
Net cash outflows from investing activities	<u>(4,043,161)</u>	<u>(13,389,033)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase / payments of liabilities against assets subject to finance lease	(16,419,910)	(8,605,885)
Increase/ payments of Directors' Loan	2,950,000	(1,000,000)
Short term borrowings	(5,864,483)	(15,036,962)
Net cash inflows from financing activities	<u>(19,334,393)</u>	<u>(24,642,847)</u>
Net (decrease) / increase in cash and cash equivalents	6,808,938	4,793,655
Cash and cash equivalents at the beginning of the period	21,580,478	9,947,606
Cash and cash equivalents at the end of the period	<u>28,389,416</u>	<u>14,741,261</u>

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

CHIEF EXECUTIVE**CHIEF FINANCIAL OFFICER****DIRECTOR**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Rupees				Total
	Issued, subscribed and paid-up capital	Capital Reserve	Directors' Loan	Unappropriated profit	
Balance as at July 01, 2019 - (Audited)	104,578,900	100,000,000	87,868,538	88,547,611	380,995,049
Total Comprehensive income for the period	-	-	-	10,224,919	10,224,919
Transaction with Owners	-	-	(1,000,000)	-	(1,000,000)
Balance as at December 31, 2019 - (Un-Audited)	104,578,900	100,000,000	86,868,538	98,772,530	390,219,968
Balance as at July 01, 2020 - (Audited)	104,578,900	100,000,000	87,448,538	98,894,561	390,921,999
Total Comprehensive income for the period	-	-	-	14,417,435	14,417,435
Transaction with Owners	-	-	2,950,000	-	2,950,000
Balance as at December 31, 2020 - (Un-Audited)	104,578,900	100,000,000	90,398,538	113,311,996	408,289,434

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

CHIEF EXECUTIVE**CHIEF FINANCIAL OFFICER****DIRECTOR**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020****1 LEGAL STATUS AND OPERATIONS**

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

2 BASIS OF PREPARATION

This condensed financial information is prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of;
-International Accounting Standard (IAS) 34, issued by the International Accountin Standards Board (IASB) as notified under the Companies Act, 2017;

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

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

This condensed interim financial information does not include all of the information required for full financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2020.

3 BASIS OF MEASUREMENT

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

4 SIGNIFICANT ACCOUNTING POLICIES

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

	Un-audited Dec 31, 2020 Rupees	Audited June 30, 2020 Rupees
5 DIRECTORS' LOAN		
Loan from directors Un-Secured	<u>90,398,538</u>	<u>87,448,538</u>
	90,398,538	87,448,538
6 DEFERRED LIABILITIES		
Deferred tax liability	21,100,188	18,366,327
Staff retirement benefits-gratuity	<u>38,031,417</u>	<u>38,031,417</u>
	59,131,605	56,397,744
7 TRADE & OTHER PAYABLES		
Creditors	139,059,550	205,750,406
Accrued Expenses	27,447,423	12,024,733
Advances from Customers	16,004,127	-
Other Payables	13,443,743	10,159,228
Workers Welfare Fund	3,911,016	3,911,016
Workers Profit Participation Fund	<u>2,554,084</u>	<u>1,238,633</u>
	202,419,943	233,084,016
8 SHORT TERM BORROWING		
from Banking Companies-secured		
Standard Chartered Bank (Pakistan) Limited	-	-
Habib Bank Limited	97,700,000	97,700,000
The Bank of Punjab	100,000,000	100,000,000
Bank Alfalah limited	245,062,919	310,926,794
Overdrafts		
Bank Alfalah limited	<u>59,999,392</u>	<u>-</u>
	502,762,311	508,626,794



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

9 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES:

There is no material change in the status of the contingencies reported in the annual financial statements for the year ended June 30, 2020.

COMMITMENTS:

Commitments with respect Letter of Credit as on the date of Condensed Interim Statement of Financial Position amounts to Rs.97,730,000/- (June 30, 2020: Nil).

10 PROPERTY PLANT AND EQUIPMENT

Opening balance (WDV)	400,164,402	431,855,040
Add: Additions during the period / year	786,200	7,193,149
Less: Deletions during the period / year	-	(2,827,560)
Less: Depreciation charged for the period / year	(16,611,204)	(37,601,168)
Add: Adjustment of accumulated depreciation relating to disposal of fixed assets	-	1,544,941
	<u>384,339,398</u>	<u>400,164,402</u>

11 LOANS AND ADVANCES

Advances - considered good	120,132,948	36,345,516
	<u>120,132,948</u>	<u>36,345,516</u>

12 TAX REFUNDS DUE FROM THE GOVERNMENT

Sales tax -Refundable	37,654,963	57,777,941
Rebate Receivable	20,891,858	18,423,427
Advance income tax-net of adjustment	46,713,098	42,110,346
	<u>105,259,919</u>	<u>118,311,714</u>

13 CASH AND BANK BALANCES

Cash at Bank	5,203,684	10,406,675
Cash in Hand	23,185,732	11,173,803
	<u>28,389,416</u>	<u>21,580,478</u>

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorized for issue on 26th February, 2021 by the board of directors of the Company.

15 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2020 and the corresponding figures in the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the half year ended December 31, 2019.

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. The following corresponding figures have been reclassified during the year:

Particulars	Amounts	Reclassification		
		from	To	
Rebate receivable	18,423,427	Loans and	Note-11	Tax Refunds
Advance income tax - net of adjustments	42,110,346	Advances		due from the

16 GENERAL

- Figures have been rounded off to the nearest of rupees.

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E-mail: info@aruj.com

Website: www.aruj.com